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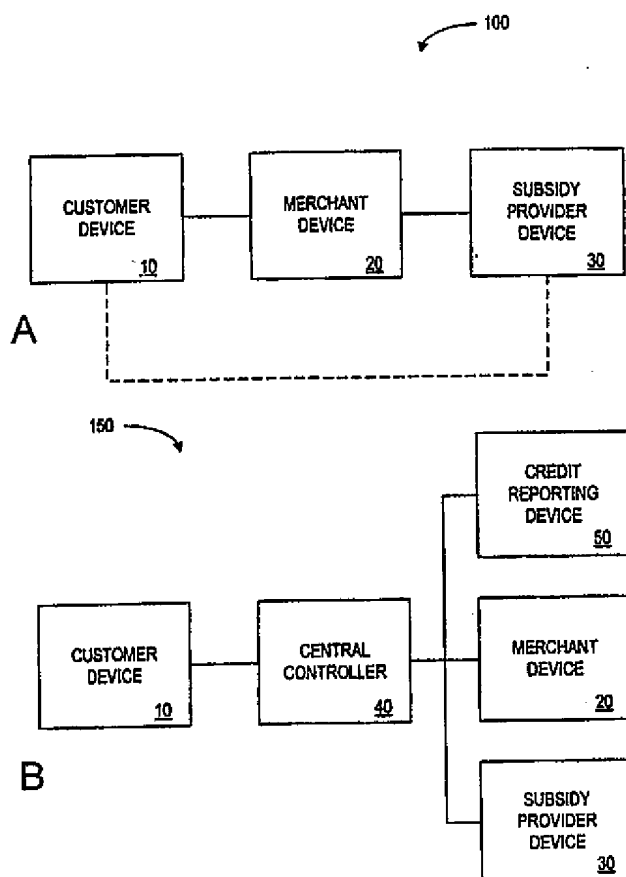
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(54) Title: **SYSTEMS AND METHODS FOR EVALUATING INFORMATION ASSOCIATED WITH A TRANSACTION TO DETERMINE A SUBSIDY OFFER**

(57) Abstract: Systems and methods are provided to process a transaction in which a customer purchases an item. An indication that the customer is interested in purchasing the item is received. Information associated with the transaction, such as information associated with the customer, the merchant, and/or the item, is evaluated to determine a subsidy offer, the subsidy offer being associated with a benefit from a subsidy provider to be applied to the transaction. The subsidy offer may be transmitted to the customer, and a response to the subsidy offer may be received from the customer. If the received response indicates acceptance of the subsidy offer, the benefit is applied to the transaction.



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SYSTEMS AND METHODS FOR EVALUATING INFORMATION ASSOCIATED WITH A TRANSACTION TO DETERMINE A SUBSIDY OFFER

CROSS-REFERENCES TO RELATED APPLICATIONS

The present application: claims the benefit of provisional U.S. Patent Application Serial No. 60/143,396 filed July 12, 1999; and is continuation-in-part of
5 U.S. Patent Application Serial No. 09/219,267 entitled "Method and Apparatus for Facilitating Electronic Commerce Through Providing Cross-Benefits During a Transaction" and filed December 23, 1998. The entire contents of these applications are incorporated herein by reference.

The present application is related to: U.S. Patent Application Serial No.
10 09/282,747 entitled "Method and Apparatus for Providing Cross-Benefits Based on a Customer Activity" and filed March 31, 1999; U.S. Patent Application Serial No. 09/274,281 entitled "Method and Apparatus for Providing Cross-Benefits via a Central Authority" and filed March 22, 1999; U.S. Patent Application Serial No. 09/322,351 entitled "Method and Apparatus for Providing Cross Benefits and Penalties" and filed
15 May 28, 1999; U.S. Patent Application Serial No. 09/100,684 entitled "Billing Statement Customer Acquisition System" and filed May 19, 1999, which is a continuation-in-part of U.S. Patent Application Serial No. 08/982,149 entitled "Method and Apparatus for Printing a Billing Statement to Provide Supplementary Product Sales" and filed on December 1, 1997; U.S. Patent Application Serial No. 08/943,483
20 entitled "System and Method for Facilitating Acceptance of Conditional Purchase Offers (CPOs)" and filed on October 3, 1997, which is a continuation-in-part of U.S. Patent Application Serial No. 08/923,683 entitled "Conditional Purchase Offer (CPO) Management System For Packages" and filed September 4, 1997, which is a continuation-in-part of U.S. Patent Application Serial No. 08/889,319 entitled
25 "Conditional Purchase Offer Management System" and filed July 8, 1997, which is a continuation-in-part of U.S. Patent Application Serial No. 08/707,660 entitled "Method and Apparatus for a Cryptographically Assisted Commercial Network System Designed to Facilitate Buyer-Driven Conditional Purchase Offers" filed on September

4, 1996 and issued as U.S. Patent No. 5,794,207 on August 11, 1998; U.S. Patent Application Serial No. 08/994,426 entitled "Method and Apparatus for Providing Supplementary Product Sales to a Customer at a Customer Terminal" filed on December 19, 1997, which is a continuation-in-part of U.S. Patent Application Serial
5 No. 08/920,116 entitled "Method and System for Processing Supplementary Product Sales at a Point-of-Sale Terminal" and filed on August 26, 1997; and U.S. Patent Application Serial No. 09/221,099 entitled "Pre-Sale Data Broadcast System and Method" and filed December 28, 1998. The entire contents of these application are incorporated herein by reference.

10

FIELD

The present invention relates to transactions in which a customer purchases an item. In particular, the present invention relates to systems and methods for evaluating
15 information associated with a transaction to determine a subsidy offer.

BACKGROUND

Electronic commerce is becoming more accepted as a growing number of
20 customers shop online (*e.g.*, via the World Wide Web). However, electronic commerce suffers from many of the same problems that are associated with conventional commerce. For example, there is significant competition among merchants to attract and retain customers, and, as a result, merchants are not able to increase profits by increasing prices. Price competition is even stronger on the Internet, where customers
25 can more readily "shop around" to determine prices offered by different merchants.

Even when a customer has decided to visit a particular merchant, he or she will not make a purchase if an item price is greater than the customer wants (or is able) to pay. One way to encourage the customer to purchase an item, via the World Wide Web or otherwise, is to reduce the item price. Unfortunately, reducing the item price also
30 reduces the merchant's profit, and the reduced profit may not be offset by an increase in sales.

Instead of directly reducing the item price, it is known that a merchant can offer a promotion to encourage the customer to purchase the item. For example, a merchant may advertise a "buy one get one free" promotion. Similarly, a merchant may advertise that customers can receive a 10% discount when they establish a credit card account associated with the merchant.

It is also known that a number of merchants can work together to offer a promotion. For example, a first merchant may advertise that if a customer purchases a first item from the first merchant, a second item can be purchased at a reduced price from, or be given away by, a second merchant.

It is also known for a promotion to be generally provided at a point of sale. For example, a merchant's Web site may display a "banner advertisement" that allows a customer to access another Web site to make a second purchase.

All of the above techniques, however, have serious disadvantages. For example, merchant promotions are offered to potential customers before the customer indicates that he or she is interested in a particular item (*e.g.*, by advertising the promotion on a radio station). In this case, the merchant must pay to have information about the promotion distributed to many people who will not be interested in the promotion, increasing the merchant's customer acquisition cost. Moreover, the merchant will not be able to use information about a particular transaction (*e.g.*, demographic information about the customer purchasing the item or information about the item) to select or modify the promotion as appropriate.

U.S. Patent Application Serial No. 09/219,267, discloses a system wherein a merchant server of a first merchant receives an indication of items that a customer is to purchase via a Web site. The indication may be, for example, a signal indicating that the customer is ready to "check out" his or her virtual shopping cart of items on the Web site. In response, the merchant server provides an offer for a benefit from a second merchant, which may be referred to as one type of cross-benefit or subsidy offer. If the customer indicates acceptance of the offer, the benefit is applied to the item or items being purchased. For example, the total price paid for the items may be reduced, or the items may be provided to the customer for free. In exchange, the customer agrees to participate in a transaction with the second merchant. For example, the customer may agree to switch service providers (*e.g.*, to switch long distance

telephone service providers) or to initiate a new service agreement (e.g., to apply for a new credit card with the second merchant).

A need exists, however, for further systems and methods to facilitate electronic commerce, such as for systems and methods that determine the subsidy offer to be provided to the customer.

SUMMARY OF THE INVENTION

To alleviate problems inherent in the prior art, the present invention introduces systems and methods for processing a transaction in which a customer purchases an item.

In one embodiment of the present invention, an indication that the customer is interested in purchasing the item is received. Information associated with the transaction is evaluated to determine a subsidy offer, the subsidy offer being associated with a benefit from a subsidy provider to be applied to the transaction.

Another embodiment of the present invention provides (i) means for receiving an indication that the customer is interested in purchasing the item and (ii) means for evaluating information associated with the transaction to determine a subsidy offer.

With these and other advantages and features of the invention that will become hereinafter apparent, the nature of the invention may be more clearly understood by reference to the following detailed description of the invention, the appended claims and the several drawings attached herein.

BRIEF DESCRIPTION OF THE DRAWINGS

FIG. 1A is a block diagram overview of a transaction system according to an embodiment of the present invention.

FIG. 1B is a block diagram overview of a transaction system according to another embodiment of the present invention.

FIG. 2 is a block diagram of a merchant device according to an embodiment of the present invention.

FIG. 3 is a tabular representation of a portion of a subsidy database according to an embodiment of the present invention.

FIG. 4 is a tabular representation of a portion of a customer database according to an embodiment of the present invention.

5 FIG. 5 is a tabular representation of a portion of an item database according to an embodiment of the present invention.

FIG. 6 is a tabular representation of a portion of a subsidy provider database according to an embodiment of the present invention.

10 FIG. 7 is a tabular representation of a portion of a prior transaction database according to an embodiment of the present invention.

FIG. 8 is a flow chart depicting a method for processing a transaction according to an embodiment of the present invention.

FIG. 9 is a flow chart depicting a method for determining a subsidy offer according to an embodiment of the present invention.

15 FIG. 10 is a flow chart depicting a method for determining a subsidy offer according to another embodiment of the present invention.

DETAILED DESCRIPTION

20 The present invention is directed to systems and methods for evaluating information associated with a transaction to determine a subsidy offer. Turning now in detail to the drawings, FIG. 1A is a block diagram overview of a transaction system 100 according to one embodiment of the present invention. The transaction system 100 includes a merchant device 20 in communication with a customer device 10 and a
25 subsidy provider device 30. As used herein, devices (such as the customer device 10, the merchant device 20 and/or the subsidy provider device 30) may communicate, for example, through a communication network, such as a Local Area Network (LAN), a Wide Area Network (WAN), a Public Switched Telephone Network (PSTN), or an Internet Protocol (IP) network such as the Internet, an intranet or an extranet.
30 Moreover, as used herein, communications include those enabled by wired or wireless technology. Note that although a single customer device 10 is shown in FIG. 1A, any number of customer devices 10 may be included in the transaction system 100.

Similarly, any number of the other devices described herein may be included according to embodiments of the present invention.

In one embodiment of the present invention, the customer device 10 communicates with a remote, Web-based merchant device 20 (*e.g.*, a server) through the Internet. Although embodiments of the present invention are described with respect to information exchanged using a Web site, according to other embodiments of the present invention information can instead be exchanged using, for example: a telephone, an Interactive Voice Response Unit (IVRU), a facsimile machine, postal mail, electronic mail, a WEBTV® interface, a cable network interface, or a wireless communication system.

The customer device 10 may be, for example: a Personal Computer (PC), a portable computing device such as a Personal Digital Assistant (PDA), a wired or wireless telephone, a one-way or two-way pager, a kiosk, an Automated Teller Machine (ATM), or any other appropriate communication device. According to one embodiment of the present invention, the customer device is a Point Of Sale (POS) terminal or a device located at, or communication with, a POS terminal.

In general, the customer device 10 can be any device capable of performing methods in accordance with the present invention. Note that the customer device 10, the merchant device 20 and/or the subsidy provider device 30 may be incorporated in a single device (*e.g.*, a kiosk located in the merchant's store).

As will be explained, the transaction system 100 may be used to process a transaction in which a customer purchases an item. As used herein, an "item" refers to anything that can be purchased by a customer (*e.g.*, a good or a service). Airline tickets, consumer electronics, electronically delivered information, technical support service, and grocery items are some examples of items that can be purchased by a customer.

According to an embodiment of the present invention, the merchant device 20 receives from the customer device 10 an indication that a customer is interested in purchasing an item. For example, a customer may access a Web page associated with a merchant. When the customer sees an item that he or she wishes to purchase, the customer may place the item in a "virtual shopping cart" to indicate an interest in purchasing an item.

According to an embodiment of the present invention, information associated with the transaction is evaluated to determine a subsidy offer. As used herein, a “subsidy offer” refers to any offer associated with a benefit from a subsidy provider to be applied to the transaction. For example, a subsidy provider (*e.g.*, a party other than the customer and the merchant) may offer to apply \$50 towards the purchase of the item. In general, the benefit can be anything of value to the customer (*e.g.*, an additional item, a higher quality item, an extended warranty and/or a lower interest rate). Note that, according to one embodiment, a number of different subsidy offers are determined.

The information about the transaction used to determine the subsidy offer may include, for example, information associated with the customer, information associated with the item, information associated with the subsidy provider and/or information associated with prior transactions. The evaluation may be performed by, for example, the merchant device 20 or the subsidy provider device 30. For example, when a customer indicates that he or she is interested in purchasing a television, the merchant device 20 may provide information about the transaction to the subsidy provider device 30. The subsidy provider device 30 can then evaluate the information and provide one or more appropriate subsidy offers (*e.g.*, “subscribe to a satellite television service and receive the television you are interested in purchasing for free”) to the merchant device 20.

The subsidy offer may be transmitted from the merchant device 20 to the customer device 10. For example, the subsidy offer may be transmitted via a Web page or an electronic mail message. The customer device 10 then transmits a response to the subsidy offer to the merchant device 20. If the response indicates that the customer accepts the subsidy offer, the benefit is applied to the transaction. For example, \$50 may be applied by the subsidy provider towards the customer’s purchase of the item.

The subsidy offer may be conditioned on the performance of a task by the customer. For example, the subsidy provider may offer to apply \$50 towards the purchase of an airline ticket only if the customer agrees to apply for a particular credit card account. In this case, a penalty may be applied if a customer who accepts the subsidy offer does not perform the task. For example, a customer may provide a payment identifier (*e.g.*, a credit card number) when accepting a subsidy offer to have

\$50 applied towards the purchase of a television in exchange for subscribing to a cable television service for three months. If the customer then stops using the service after two months, an appropriate penalty may be applied (*e.g.*, a \$33, \$50 or \$60 charge may be applied using his or her credit card number).

5 Note that the customer device 10 may communicate directly with the subsidy provider device 30 (as shown by a dashed line in FIG. 1A). For example, the subsidy provider may offer to pay for the customer's purchase of a book if the customer applies for a new credit card. In this case, the credit card application information (*e.g.*, the customer's name, address and Social Security number) may be transmitted directly
10 from the customer device 10 to the subsidy provider device 30.

FIG. 1B is a block diagram overview of a transaction system 150 according to another embodiment of the present invention. As shown in FIG. 1B, a central controller 40 communicates with the customer device 10, the merchant device 20, the subsidy provider device 30 and a credit reporting device 50. According to this
15 embodiment, the central controller 40 may evaluate information about a transaction to determine an appropriate subsidy offer.

For example, the central controller 40 may receive an indication that a customer is interested in purchasing an item (*e.g.*, by receiving the indication from the customer device 10 or the merchant device 20). The central controller 40 may then evaluate
20 information associated with the customer and information associated with one or more subsidy providers to determine a subsidy offer. For example, the central controller 40 may receive a credit report from the credit reporting device 50 based on a credit card number associated with the customer (*e.g.*, after receiving permission from the customer to do so). Information in the credit report, such as a credit rating associated
25 with the customer, may then be used by the central controller 40 to determine an appropriate subsidy offer.

Moreover, the central controller 40 may receive from the subsidy provider device 30 information about the rate at which customers are being acquired by a subsidy provider. Based on this information, the central controller 40 may determine a
30 subsidy offer and transmit the subsidy offer to the customer device 10. According to another embodiment, the central controller 40 may transmit information associated with

the subsidy offer to the merchant device 20, which in turn transmits the subsidy offer to the customer device 10.

Note that a subsidy offer may be determined based on, for example, information stored at the customer device 10 (e.g., information stored in a cookie file at the customer's PC or information stored on a customer PDA or smart card), information stored at the central controller 40, information stored at the merchant device 20 and/or information stored at the subsidy provider device 30.

Merchant Device

FIG. 2 illustrates a merchant device 20 that is descriptive of the device shown in FIG. 1A according to an embodiment of the present invention. Note that the central controller 40 of FIG. 1B may contain similar elements and perform similar functions to those described herein with respect to the merchant device 20.

The merchant device 20 comprises a processor 210, such as one or more INTEL Pentium® processors, coupled to a communication port 220 configured to communicate through a communication network (not shown in FIG. 2). The communication port 220 may be used to communicate, for example, with a number of customer devices 10, subsidy provider devices 30, central controllers 40 and/or credit reporting devices 50.

The processor 210 is also in communication with a storage device 230. The storage device 230 may comprise any appropriate information storage device, including combinations of magnetic storage devices (e.g., magnetic tape and hard disk drives), optical storage devices and semiconductor memory devices, such as Random Access Memory (RAM) devices and Read Only Memory (ROM) devices.

The storage device 230 stores a program 215 for controlling the processor 210. The processor 210 performs instructions of the program 215, and thereby operates in accordance with the present invention. For example, the processor 210 may receive an indication that a customer is interested in purchasing an item and evaluate information associated with a transaction to determine a subsidy offer.

The program 215 may be stored in a compressed, uncompiled and/or encrypted format. The program 215 furthermore includes program elements that may be

necessary, such as an operating system, a database management system and “device drivers” used by the processor 210 to interface with peripheral devices. Appropriate device drivers and other necessary program elements are known to those skilled in the art and are not described in detail herein.

5 Note that the processor 210 and the storage device 230 may be, for example: (i) located entirely within a single computer or other computing device; or (ii) located in separate devices coupled through a communication channel. In one embodiment, the merchant device 20 comprises one or more computers that are connected to a remote database server.

10 As used herein, information may be “received” by, for example: (1) the merchant device 20 from a customer device 10 or a subsidy provider device 30; or (2) a software application or module within the merchant device 20 from another software application, module or any other source.

 As shown in FIG. 2, the storage device 230 also stores: a subsidy database 300
15 (described with respect to FIG. 3); a customer database 400 (described with respect to FIG. 4); an item database 500 (described with respect to FIG. 5); a subsidy provider database 600 (described with respect to FIG. 6); and a prior transaction database 700 (described with respect to FIG. 7). The schematic illustrations and accompanying descriptions of the databases presented herein are exemplary, and any number of other
20 database arrangements could be employed besides those suggested by the figures.

 Examples of databases that may be used in connection with the transaction systems 100, 150 will now be described in detail with respect to FIGS. 3 through 7.

Subsidy Database

25

 Referring to FIG. 3, a table represents one embodiment of the subsidy database 300 that may be stored at the merchant device 20 according to an embodiment of the present invention. The table includes entries identifying subsidy offers that may be provided to a customer who is interested in purchasing an item. The table also defines
30 fields 302, 304, 306, 308, 310, 312 for each of the entries. The fields specify: a subsidy identifier 302; a subsidy description 304; subsidy evaluation criteria 306; a subsidy task 308; a subsidy benefit 310; and a subsidy provider identifier 312. The information in

the subsidy database 300 may be created and updated, for example, based on information received from one or more subsidy providers.

The subsidy identifier 302 may be, for example, an alphanumeric code associated with a particular subsidy offer that may be provided to a customer who is interested in purchasing an item. The subsidy identifier 302 may be associated with identifiers stored in an accepted subsidies 408 field and a rejected subsidies 410 field of the customer database 400 and/or identifiers stored in an offered subsidies 708 field and an accepted subsidies 710 field of the transaction database 700. For each subsidy offer, the subsidy database 300 also stores a subsidy description 304 that describes the offer.

The subsidy description 304 may comprise, for example, any textual, image and/or audio information provided to a customer to describe the subsidy offer.

Each subsidy offer is also associated with subsidy evaluation criteria 306 and a subsidy task 308. According to the present invention, the subsidy evaluation criteria 306 indicates one or more conditions that must be met in order for the subsidy offer to be provided to a customer. The subsidy task 308 indicates the task (or tasks) that must be performed by the customer in accordance with the subsidy offer.

Each subsidy offer is also associated with a subsidy benefit 310, indicating the benefit that will be provided to a customer who accepts the subsidy offer, and a subsidy provider identifier 312. The subsidy provider identifier 312 may be, for example, an alphanumeric code associated with the party that will provide the benefit to the customer, and may be associated with a subsidy party identifier 602 stored in the subsidy provider database 600.

For example, the subsidy offer having a subsidy identifier 302 of "S1001" is described to the customer as "Earn \$50 credit towards your purchase if you apply for a CAPITAL ONE® credit card right now!" This subsidy offer will only be provided to a customer who is not currently a CAPITAL ONE® cardholder, as indicated by the subsidy evaluation criteria 306. In order for the customer to receive the subsidy benefit 310 (*i.e.*, \$50 credit), the customer must fill out a CAPITAL ONE® credit card application, as indicated by the subsidy task 308.

As another example, the subsidy offer having a subsidy identifier 302 of "S1005" is described to the customer as "Visit www.subsidypro.com/854321 to learn how to receive this purchase for free!" Such an indication of a subsidy offer may be

provided, for example, as part of the customer's credit card billing statement (*e.g.*, next to an indication of the customer's purchase of an item included in the statement). In this case, the customer has indicated an interest in purchasing the item by paying for the item using his or her credit card. According to other embodiments, the indication of a subsidy offer may instead be provided, for example, via a telephone bill (*e.g.*, in association with a charge for a "900" number telephone call) or a bank statement (*e.g.*, in association with a debit card purchase). Note that the subsidy evaluation criteria 306 may include information related to the customer's credit card account, such as a merchant identifier (*e.g.*, associated with the merchant from which the customer purchased the item) and/or a customer credit rating. Also note that the URL included in the indication of the subsidy offer may include an identifier (*i.e.*, "854321") associated with the customer and/or a particular subsidy offer. Also note that the indication of the subsidy offer may not disclose the actual subsidy offer, thereby enabling a subsidy provider to adjust a task or benefit associated with the subsidy offer after the customer receives the indication of the subsidy offer.

Customer Database

Referring to FIG. 4, a table represents one embodiment of the customer database 400 that may be stored at the merchant device 20 according to an embodiment of the present invention. The table includes entries identifying customers who may be interested in purchasing an item. The table also defines fields 402, 404, 406, 408, 410, 412 for each of the entries. The fields specify: a customer identifier 402; a customer address 404; a customer status 406; accepted subsidies 408; rejected subsidies 410; and customer demographic information 412. The information in the customer database 400 may be created and updated, for example, based on information received from one or more customers (*e.g.*, when a customer registers with a merchant, completes a transaction, and/or responds to a subsidy offer).

The customer identifier 402 may be, for example, an alphanumeric code associated with a customer who is interested in purchasing an item and may be associated with a customer identifier 704 stored in the transaction database 700.

For each customer, the customer database 400 stores the customer address 404 (e.g., a home or work address, an e-mail address, an Internet Protocol address, or a telephone number). The customer address 404 may be used to provide subsidy offers to customers who live in certain geographic areas (e.g., to customers who live in ZIP code 06897). The customer status 406 indicates how often the customer purchases items from the merchant. For example, a customer may be a "frequent" customer, a "new" customer, a "recently inactive" customer, or a customer who has not purchased an item from the merchant for an extended period of time ("extended inactive"). In this way, a subsidy offer may be provided to a certain type of customer. For example, a valuable subsidy offer may only be provided to customers associated with a customer status 406 of "new" to reward them for registering or transacting with the merchant and to encourage them to complete transactions. According to another embodiment, a frequent customer may be rewarded for his or her loyalty.

The customer database 400 also stores identifiers corresponding to one or more accepted subsidies 408 and rejected subsidies 410 associated with the customer. The information in these fields may be based on the subsidy identifier 302 stored in the subsidy database 300 and may be used to indicate which subsidy offers (if any) have previously been accepted or rejected by the customer. For example, the customer having a customer identifier 402 of "C101" has accepted subsidy offer "S1001" and rejected subsidy offer "S1004." This information may be used, for example, so that a customer will only be provided with subsidy offers that he or she has not previously accepted or rejected.

Similarly, the information may be used to determine a type of subsidy offer that will be provided to the customer. For example, consider a customer who typically accepts subsidy offers associated with tasks that can be performed from his or her home (e.g., listening to a telemarketing presentation or participating in an on-line focus group) and typically rejects subsidy offers associated with tasks that cannot be performed at home (e.g., test driving an automobile or visiting a consumer electronics store). In this case, the accepted subsidies 408 and the rejected subsidies 410 may be used to determine that the customer should be provided with a subsidy offer associated with a task that can be performed at home.

The customer database 400 also stores customer demographic information 412 associated with the customer. For example, the customer demographic information 412 may indicate the sex, age and interests (*e.g.*, a “1” indicating an interest in sports) of the customer. This information may be used, for example, so that a customer will receive
5 subsidy offers that he or she will be more likely to accept. Similarly, other types of demographic information, as well as other types of information associated with the customer, may also be stored in the customer database 400 and used for this purpose. For example, psychographic information (*e.g.*, information about attitudes, values, lifestyles and opinions) associated with customers could be used to determine subsidy
10 offers.

Item Database

Referring to FIG. 5, a table represents one embodiment of the item database 500
15 that may be stored at the merchant device 20 according to an embodiment of the present invention. The table includes entries identifying items that a customer may be interested in purchasing. The table also defines fields 502, 504, 506, 508 for each of the entries. The fields specify: an item identifier 502; an item description 504; an item category 506; and an item price 508. The information in the item database 500 may be
20 created and updated, for example, based on inventory information associated with a merchant.

The item identifier 502 may be, for example, an alphanumeric code associated with an item that a customer may be interested in purchasing and may be associated with an item identifier 706 stored in the transaction database 700. The item description
25 504 describes the item, and the item category 506 may indicate, for example, the type of product associated with the item (*e.g.*, “television” or “computer”). According to an embodiment of the present invention, this information may be used, for example, to provide an appropriate subsidy offer to a customer (*e.g.*, to provide a subsidy offer associated with an Internet service if a customer is interested in purchasing a
30 computer). The item price 508 indicates an original price (*e.g.*, a retail price before any subsidy benefit is applied) associated with an item. This information can also be used to provide an appropriate subsidy offer to a customer (*e.g.*, customers who are

interested in purchasing less expensive items may receive a first subsidy offer while customers who are interested in purchasing more expensive items may receive a second subsidy offer).

5 Subsidy Provider Database

Referring to FIG. 6, a table represents one embodiment of the subsidy provider database 600 that may be stored at the merchant device 20 according to an embodiment of the present invention. The table includes entries identifying parties that may provide
10 a subsidy in association with a transaction. The table also defines fields 602, 604, 606 for each of the entries. The fields specify: a subsidy provider identifier 602; a subsidy provider description 604; and a customer acquisition rate 606. The information in the subsidy provider database 600 may be created and updated, for example, based on information received from one or more subsidy providers.

15 The subsidy provider identifier 602 may be, for example, an alphanumeric code associated with the party that may provide a subsidy benefit to a customer, and may be associated with the subsidy provider identifier 312 stored in the subsidy database 600. The information in the subsidy provider description field 604 may be information that describes the subsidy provider.

20 The customer acquisition rate 606 may indicate, for example, a rate at which the subsidy provider is acquiring new customers (*e.g.*, “low,” “average” or “high” rate of acquisition). This information may be used to determine which subsidy offers should be provided to customers. For example, a first subsidy offer may be provided to customers when a particular subsidy provider has a customer acquisition rate 606 of
25 “low,” while a second subsidy offer (*e.g.*, a subsidy offer with a less valuable benefit) may be provided to customers when the customer acquisition rate 606 is “high.” Note that the customer acquisition rate 606 may be associated with a rate at which the subsidy provider is acquiring new customers via subsidy offers (*e.g.*, a rate at which customers are accepting the subsidy offers) or an overall rate at which the subsidy
30 provider is acquiring new customers (*e.g.*, including customers who are not acquired via subsidy offers). According to another embodiment, a customer acquisition strategy (*e.g.*, “less aggressive” or “more aggressive”) may be used instead of, or in addition to,

the customer acquisition rate 606. According to another embodiment, the customer acquisition rate 606 indicates a specific rate at which customers are actually being acquired (e.g., "17 customers per hour").

5 Prior Transaction Database

Referring to FIG. 7, a table represents one embodiment of the prior transaction database 700 that may be stored at the merchant device 20 according to an embodiment of the present invention. The table includes entries identifying transactions associated with the transaction system 100. The table also defines fields 702, 704, 706, 708, 710
10 for each of the entries. The fields specify: a transaction identifier 702; a customer identifier 704; an item identifier 706; offered subsidies 708; accepted subsidies 710; and a time and date 712. The information in the prior transaction database 700 may be created and updated, for example, when a customer completes a transaction (e.g., when
15 a customer purchases an item).

The transaction identifier 702 may be, for example, an alphanumeric code associated with a particular transaction. The customer identifier 704 may be, for example, an alphanumeric code associated with a particular customer and may be associated with the customer identifier 402 stored in the customer database 400. The
20 item identifier 706 may be, for example, an alphanumeric code associated with a particular item and may be associated with the item identifier 502 stored in the item database 500. For example, as shown in the first entry of FIG. 7, a transaction with the transaction identifier 702 of "T101" involves a customer with the customer identifier 704 of "C102" purchasing an item with the item identifier 706 of "I-101" (i.e., a 25
25 inch screen SONY® television as shown by the item description 504 in FIG. 5).

The offered subsidies 708 may be used to store, for example, subsidy identifiers 302 of the subsidies that were offered during the transaction. Similarly, the accepted subsidies 710 may be used to store the subsidy identifiers 302 of the subsidies that were accepted by the customer during the transaction. For example, in the transaction with
30 the transaction identifier 702 of "T101," the customer was offered subsidies "S1001" and "S1004" and he or she accepted subsidy "S1001." Note that a customer may not accept any of the offered subsidies 708 (as illustrated in the third entry of FIG. 7).

Moreover, according to some embodiments, a customer may be offered and may accept more than one subsidy. The time and date 712 may indicate when a transaction has been initiated or completed.

Methods that may be used in connection with the transaction systems 100, 150 according to various embodiments of the present invention will now be described in detail with respect to FIGS. 8 through 10.

Transaction System Methods

FIG. 8 is a flow chart depicting a method 800 for processing a transaction in which a customer purchases an item according to an embodiment of the present invention. The flow chart in FIG. 8, as well as the other flow charts discussed herein, is not meant to imply a fixed order to the steps, and embodiments of the present invention can be practiced in any order that is practicable.

At 802, an indication that the customer is interested in purchasing the item is received. For example, an order for the item may be received from the customer through a communication network such as the Internet. Similarly, the indication may reflect that the customer is arranging to provide payment for the item (*e.g.*, he or she is providing a credit card number). One system for receiving such an indication is disclosed in U.S. Patent No. 5,960,411 entitled "Method and System for Placing a Purchase Order via a Communications Network." According to one embodiment, the indication is received via a Web page when the customer "places" the item in his or her "virtual shopping cart." According to another embodiment, the indication reflects that the customer has made an offer, including a customer defined price, for the item.

According to another embodiment of the present invention, the indication that the customer is interested in purchasing the item may simply comprise an indication that the customer is accessing information about the item. For example, the indication may be that the customer has viewed a Web page associated with the item for a predetermined period of time (*e.g.*, thirty seconds). The indication may also comprise, for example, an attempt by the customer to win the item (*e.g.*, by entering a lottery or participating in a game of skill).

According to another embodiment of the present invention, the indication that the customer is interested in purchasing the item may comprise an indication from an input device associated with the customer. For example, the customer may move a mouse pointer onto an image of the item, or the customer may use an input device to scan a Universal Product Category (UPC) bar code associated with the item. As another example, a customer may use a keyboard to enter a search term (*e.g.*, “televisions”) which acts as such an indication.

According to another embodiment, the indication that the customer is interested in purchasing the item may comprise information stored at a customer device, such as information stored at a customer’s PDA.

According to another embodiment, an indication that the customer is no longer interested in purchasing the item may be used. For example, a customer may have arranged to purchase the item and then cancel the order. Similarly, the indication may reflect that the customer is not going to purchase the item at an original price. Note, therefore, that an indication that the customer is interested in purchasing the item may in fact comprise an indication that the customer is not interested in purchasing the item at a particular time (*e.g.*, because the current price is too high).

According to other embodiments, the indication may reflect that the customer is interested in purchasing another item or is purchasing the item from another merchant. For example, arranging to purchase a camera made by a first manufacturer may be viewed as an indication that a customer may also be interested in purchasing a similar camera made by a second manufacturer.

In the case of an auction, the indication that the customer is interested in purchasing the item may comprise a bid for the item. According to another embodiment, the indication may comprise an indication that a second customer is interested in purchasing the item. For example, consider a first customer who bids \$50 to purchase a portable music player. The fact that a second customer bids \$60 for that item may result in a subsidy offer (*e.g.*, “perform this task and have \$20 added to your bid”) being provided to the first customer.

The indication received at 802 may be received via, for example: a Web page, a telephone, an IVRU, a POS terminal, an ATM, a PDA, a portable customer device, an electronic mail message, and/or a kiosk.

At 804, information associated with the transaction is evaluated to determine a subsidy offer, the subsidy offer being associated with a benefit from a subsidy provider to be applied to the transaction. The subsidy provider may be, for example, a second merchant where the customer has indicated an interest in purchasing an item from a first merchant. Note that, as explained below with respect to FIG. 10, more than one subsidy offer may be determined.

The benefit may comprise, for example, a subsidy amount to be applied to an original price associated with the item (e.g., "receive \$50 off of the retail price" or "receive 20% off of the lowest price offered in your area"). The benefit may also comprise another item to be provided to the customer in place of the original item (e.g., a higher quality item) or in addition to the original item (e.g., a free peripheral). According to another embodiment, the benefit may comprise any improved transaction term. For example, an extended warranty or a lower interest rate may be used as a benefit. Note that a benefit may be applied immediately to the transaction or may be applied in any other way (e.g., by providing multiple future payments or reducing future fees owed by the customer).

According to an embodiment of the present invention, the benefit is associated with the performance of a task by the customer. For example, the subsidy offer may require that the customer apply for, or subscribe to, a service, such as: a telephone service, an Internet service, a banking service, a credit card account service, an insurance service, a securities trading service, a satellite television service, and/or a cable television service. The task may also comprise, for example: purchasing another item, accessing a Web page, visiting a merchant, dialing a telephone number, and/or providing an answer to a question (e.g., completing a survey).

A more detailed description of the evaluation performed at 804 is provided with respect to FIGS. 9 and 10.

At 806, the subsidy offer is provided to the customer, such as by transmitting the offer to the customer through a communication network. The subsidy offer may be provided, for example, by transmitting the offer via: a Web page, a telephone, an IVRU, a POS terminal, an ATM, a PDA, a portable customer device, an electronic mail message, and/or a kiosk. According to one embodiment, a POS terminal may be used to communicate information describing the offer to an employee who, in turn, verbally

communicates the offer to a customer. Note that when the indication that the customer is interested in purchasing the item was received through a communication network, the subsidy offer may be transmitted through the same communication network or through a different communication network. At 808, a response to the subsidy offer is received from the customer (*e.g.*, the customer may accept or decline the offer). If the received response indicates an acceptance of the subsidy offer at 810, the benefit is applied to the transaction at 812. If the received response does not indicate an acceptance of the subsidy offer at 810, the benefit is not applied to the transaction. At 814, the transaction is completed.

FIG. 9 is a flow chart depicting a method 900 for determining a subsidy offer according to an embodiment of the present invention. Note that only some of the evaluations described herein may be performed to determine the subsidy offer.

At 902, information associated with the customer is evaluated to determine a subsidy offer. The information associated with the customer may be, for example: an address associated with the customer, demographic information associated with the customer, psychographic information associated with the customer, and a credit rating associated with the customer. By way of example, a particular subsidy offer may only be provided to customers over 35 years old who live in a certain geographic region. Such a determination may be based on, for example, information stored in the customer database 400. According to another embodiment, the information associated with the customer may comprise the way in which the customer indicates that he or she is interested in purchasing the item. For example, a particular subsidy offer may be provided to customers who attempt to win an item in a lottery or raffle but not to customers who offer to purchase the item.

The information associated with the customer may also include an association of the customer with the subsidy provider or any other party. For example, an offer to have \$50 applied to a purchase if the customer agrees to open an Internet service account with a first provider may not be transmitted to those customers who already have an account with the first provider. Similarly, the offer may only be provided to those customer who currently use a second provider (*e.g.*, a particular competitor of the first provider). By way of example, a central controller 40 may detect that a customer device 10 is communicating through the second provider (*e.g.*, based on an IP address

associated with the customer). In the case of a subsidy offered by a telephone service provider, information based on the customer's telephone number or connection may likewise be used (*e.g.*, to determine whether or not the customer uses a particular cellular service or subscribes to a particular long distance plan).

- 5 The information associated with the customer may also include information associated with at least one previous transaction, such as: a previous offer provided to the customer, a previous offer accepted by the customer, and/or a previous offer rejected by the customer. For example, a customer who has previously rejected a subsidy offer with a \$10 benefit (*e.g.*, as indicated in the prior transaction database 700)
- 10 may now receive a subsidy offer with a \$20 benefit.

At 904, information associated with the item is evaluated to determine a subsidy offer. The information associated with the item may include, for example: an original price of the item, an item category (*e.g.*, a television), an item class (*e.g.*, a high quality television), an item manufacturer, and/or an item feature (*e.g.*, a television remote

15 control). For example, an item with an original price of \$5 may result in a first subsidy offer while an item with an original price of \$2,000 may result in a different subsidy offer.

At 906, information associated with one or more appropriate subsidy providers is evaluated to determine a subsidy offer. For example, additional subsidy offers may

20 become available when a customer acquisition rate associated with a subsidy provider falls below a predetermined level.

At 908, other transaction information is evaluated to determine a subsidy offer. For example, an amount the customer is willing to provide in exchange for the item (*e.g.*, a customer defined price) may be evaluated. Consider a customer who bids \$50

25 for an item associated with an auction reserve price (*i.e.*, a price below which the item will not be sold) of \$60. In this case, a subsidy offer having a benefit of \$15 may be determined to be appropriate for the transaction. Note that the actual amount of the subsidy offer does not need to be disclosed to the customer (*e.g.*, "your bid is below the reserve price for this item, but will be adjusted to an amount above the reserve price if

30 you switch Internet service providers").

The time and/or the date associated with the transaction, such as the time and date 712 stored in the prior transaction database 700, may also be evaluated to

determine a subsidy offer. For example, certain subsidy offers may only be provided during off-peak hours (*e.g.*, late at night) or may not be provided during busy shopping periods (*e.g.*, during a holiday shopping period).

The evaluations performed herein may use information stored by, for example:
5 a device associated with the customer, a device associated with a merchant selling the item to the customer, a device associated with the subsidy provider, and/or a central controller. For example, information stored in a cookie file at a customer's PC may be used to determine a subsidy offer. Moreover, the information may be stored in the subsidy database 300, the customer database 400, the item database 500, the subsidy
10 provider database 600 and/or the prior transaction database 700 previously described.

The evaluations performed herein may use information received from the customer, such as survey information received from the customer. The information may also be received from the subsidy provider or any other party. For example, credit report information from a credit reporting device 50 (*e.g.*, whether or not the
15 customer's credit is in good standing) may be used to determine a subsidy offer.

At 910, it is determined if a subsidy offer will be provided to the customer based on the evaluations described herein. If no subsidy offer will be provided at 910, the process ends at 914.

In addition to determining whether or not a subsidy offer will be provided to the
20 customer, the type of or amount of the benefit associated with the subsidy offer is determined at 912. This determination may be based on, for example, the same information used to determine whether or not the subsidy offer will be provided. For example, a merchant device 20 may determine that a benefit should be increased because the customer has recently stopped purchasing items (*e.g.*, the customer may
25 now be purchasing items from another merchant). The transaction may then continue as described with respect to element 806 in FIG. 8.

FIG. 10 is a flow chart depicting a method 1000 for determining a subsidy offer according to another embodiment of the present invention. Note that the method described with respect to FIG. 10 may be performed, for example, in addition to the
30 methods described with respect to FIGS. 8 and 9. According to this embodiment, a transaction may qualify for more than one subsidy offer at 1002. If desired, all of the

subsidy offers may be displayed to the customer. In this case, the customer may chose to accept none, one, or more than one of the subsidy offers.

However, the merchant device 20 or the central controller 40 may instead select which of the applicable subsidy offers should be provided to the customer. In this case, the profitability of each subsidy offer may be evaluated with respect to the merchant at 1004, with respect to the customer at 1006, and with respect to the subsidy provider at 1008. For example, consider a transaction in which either a first or a second subsidy offer can be provided to a customer. The merchant device may receive \$10 if the customer accepts the first subsidy offer, and \$15 if the customer accepts the second subsidy offer. In this case, the merchant device 20 may determine that the second subsidy offer will be provided to the customer (*e.g.*, because the second subsidy offer is considered more beneficial to the customer or the merchant).

The selection may also be based on the previous acceptance of each of the potential subsidy offers at 1010. For example, a first subsidy offer (*e.g.*, to apply \$5 towards an original price in exchange for the customer answering a short survey) may have been accepted by 90% of past customers while a second subsidy offer (*e.g.*, to apply \$20 towards an original price in exchange for the customer test driving a car at a dealership) was accepted by 20% of past customers. In this case, the first offer may be provided to the customer.

At 1012, one or more subsidy offers are selected and provided to the customer. The transaction may then continue as described with respect to element 806 in FIG. 8.

Additional Embodiments

The following are several examples which illustrate various embodiments of the present invention. These examples do not constitute a definition of all possible embodiments, and those skilled in the art will understand that the present invention is applicable to many other embodiments. Further, although the following examples are briefly described for clarity, those skilled in the art will understand how to make any changes, if necessary, to the above-described apparatus and methods to accommodate these and other embodiments and applications.

By way of example, consider a customer who registers with an online book merchant. During registration, the customer provides the merchant with demographic information and credit card information (*e.g.*, a credit card number). This information may be stored, for example, at a merchant device 20 or a customer device 10 (*e.g.*, by using a cookie file). The customer then indicates that he wishes to purchase a \$45 book from the merchant (*e.g.*, by clicking on a “buy this book now” icon).

In response to the indication, the merchant evaluates the customer’s demographic information, the original price of the book (*i.e.*, \$45) and the customer’s credit card information. Based on the evaluation, the merchant tells the customer that he can receive the book for free if he applies for a new credit card. The customer agrees. Note that the customer might be required to complete an online credit card application at this point. The retailer then sends the book to the customer without charging the customer’s credit card. In exchange for receiving the credit card application, a party associated with the new credit card provides \$50 to the online book retailer.

According to one embodiment of the present invention, the merchant may instead charge the customer \$45 in exchange for the book. In this case, the party associated with the new credit card may provide \$45 directly to the customer and \$5 directly to the merchant. Note that the party may instead provide multiple payments to the customer. For example, if the customer was to receive the book in exchange for using a particular Internet service for three months, the Internet service (*i.e.*, the subsidy provider) may provide \$15 to the customer each month (for a total of \$45).

According to another embodiment, the benefit offered to the customer may actually exceed the original price of the item being purchased. In the above example, the party associated with the new credit card may offer to apply \$100 towards the customer’s purchase of the \$45 book. In this case, the customer may receive payment of the extra \$55 or may select additional books (as part of this transaction or in a future transaction with the merchant). The customer may also be allowed to select items from other merchants. According to another embodiment, the merchant may keep the difference between the benefit and the original price of the item.

According to one embodiment, the subsidy offer is provided to the customer at a POS terminal. For example, a customer at a grocery store may be informed that he is

eligible for \$100 subsidy if he agrees to transfer a credit card balance to a particular credit card within two weeks. If the customer is not purchasing \$100 worth of groceries during this transaction, the balance may be automatically applied to his next transaction. Similarly, a kiosk may be located in the grocery store and the customer
5 can visit the kiosk to receive information about available subsidy offers.

According to another embodiment, a subsidy offer may be associated with a number of different subsidy providers and may require that the customer perform a number of tasks. For example, a customer may receive the following offer: "Receive
10 this television for free if you: (i) subscribe to a particular cable television service for one year, (ii) apply for a new credit card and (iii) have your monthly cable television fee directly billed to your new credit card." In this case, both a cable television service provider and a credit card issuer may contribute towards the benefit being received by the customer (*i.e.*, the free television).

According to another embodiment, a customer may be a member of a "subsidy
15 group." The information associated with the group can then be used to determine the subsidy offers and benefits for the members. For example, a customer may indicate that he has been referred to a merchant by a third party (*e.g.*, by providing an identifier associated with the third party). This information may be used to determine the benefits that will be offered to the customer and/or to the third party.

20 The present invention has been described in terms of several embodiments solely for the purpose of illustration. Persons skilled in the art will recognize from this description that the invention is not limited to the embodiments described, but may be practiced with modifications and alterations limited only by the spirit and scope of the appended claims.

WHAT IS CLAIMED IS:

1. A method for processing a transaction in which a customer purchases an item, comprising:

5 receiving an indication that the customer is interested in purchasing the item;
and

evaluating information associated with the transaction to determine a subsidy offer, the subsidy offer being associated with a benefit from a subsidy provider to be applied to the transaction.

10

2. The method of claim 1, further comprising:
transmitting the subsidy offer to the customer; and
receiving a response to the subsidy offer from the customer.

15

3. The method of claim 2, further comprising:
applying the benefit to the transaction if the received response indicates an acceptance of the subsidy offer.

20

4. The method of claim 1, wherein said receiving comprises receiving from the customer an order for the item.

5. The method of claim 1, wherein said receiving is performed via a Web page and comprises receiving an indication that the item is in a virtual shopping cart associated with the customer.

25

6. The method of claim 1, wherein said receiving comprises receiving an indication that the customer is accessing information about the item.

30

7. The method of claim 1, wherein said receiving comprises receiving at least one of:
information stored at a customer device,

an indication from an input device associated with the customer,
an indication that the customer is viewing information about the item,
an indication that the customer has viewed information about the item for a
predetermined period of time,
5 an indication that the customer is providing payment for the item,
a search term,
a price request,
an indication that the customer is no longer interested in purchasing the item,
an indication that the customer is not going to purchase the item at an original
10 price,
an attempt to win the item,
an indication that the customer is interested in purchasing another item,
an indication that the customer is purchasing the item from another merchant,
a bid for the item,
15 an offer to purchase the item, the offer including a customer defined price for
the item, and
an indication that a second customer is interested in purchasing the item.

8. The method of claim 1, wherein said receiving is performed via at least one
20 of: (i) a Web page, (ii) a telephone, (iii) an interactive voice response unit, (iv) a point
of sale terminal, (v) an automatic teller machine, (vi) a personal digital assistant, (vii) a
portable customer device, (viii) an electronic mail message, and (ix) a kiosk.

9. The method of claim 1, wherein said evaluating comprises:
25 evaluating information associated with the customer.

10. The method of claim 9, wherein the information associated with the
customer comprises at least one of: (i) an address associated with the customer, (ii)
demographic information associated with the customer, (iii) psychographic information
30 associated with the customer, (iv) a credit rating associated with the customer, and (v) a
type of the received indication that the customer is interested in purchasing the item.

11. The method of claim 9, wherein the information associated with the customer comprises an association of the customer with the subsidy provider.

12. The method of claim 9, wherein the information associated with the customer comprises an association of the customer with a third party.

13. The method of claim 9, wherein the information associated with the customer comprises information associated with at least one previous transaction.

14. The method of claim 9, wherein the information associated with the customer comprises information associated with at least one of: (i) a previous offer provided to the customer, (ii) a previous offer accepted by the customer, and (iii) a previous offer rejected by the customer.

15. The method of claim 1, wherein said evaluating comprises: evaluating information associated with the item.

16. The method of claim 15, wherein the information associated with the item comprises at least one of: (i) an original price of the item, (ii) an item category, (iii) an item class, (iv) an item manufacturer, and (v) an item feature.

17. The method of claim 1, wherein said evaluating comprises: evaluating an amount the customer is willing to provide in exchange for the item.

18. The method of claim 17, wherein the amount the customer is willing to provide is based on at least one of: (i) a bid, (ii) an offer including a buyer-defined price, and (iii) a retail price associated with the item.

19. The method of claim 1, wherein said evaluating comprises: evaluating information associated with the subsidy provider.

20. The method of claim 19, wherein the information associated with the subsidy provider comprises a customer acquisition rate.

21. The method of claim 1, wherein said evaluating comprises:

5 evaluating information stored by at least one of: (i) a device associated with the customer, (ii) a device associated with a merchant selling the item to the customer, (iii) a device associated with the subsidy provider, and (iv) a central controller.

22. The method of claim 1, wherein said evaluating comprises:

10 evaluating information stored in at least one of: (i) a subsidy database, and (ii) a customer database, (iii) an item database, (iv) a subsidy provider database, and (v) a prior transaction database.

23. The method of claim 1, wherein said evaluating comprises:

15 evaluating information received from the customer.

24. The method of claim 23, wherein the information received from the customer comprises survey information.

20 25. The method of claim 1, wherein said evaluating comprises: evaluating information received from the subsidy provider.

26. The method of claim 1, wherein said evaluating comprises: evaluating information received from a third party.

25 27. The method of claim 26, wherein the information received from the third party comprises at least one of: (i) credit report information, and (ii) a credit rating associated with the customer.

30 28. The method of claim 1, wherein said evaluating comprises: evaluating information associated with at least one of: (i) a time associated with the transaction and (ii) a date associated with the transaction.

29. The method of claim 1, wherein said evaluating comprises:
determining if the subsidy offer will be provided to the customer.

5 30. The method of claim 1, wherein said evaluating comprises:
determining an amount associated with the benefit.

31. The method of claim 1, wherein said evaluating is performed by at least one
of: (i) a device associated with the customer, (ii) a device associated with a merchant
10 selling the item to the customer, (iii) a device associated with the subsidy provider, and
(iv) a central controller.

32. The method of claim 1, wherein said evaluating comprises:
selecting at least one subsidy offer from a plurality of potential subsidy offers.
15

33. The method of claim 32, wherein said selecting is based on a profitability
of each of the potential subsidy offers.

34. The method of claim 33, wherein the profitability comprises a profitability
20 of each of the potential subsidy offers to the customer.

35. The method of claim 33, wherein the profitability comprises a profitability
of each of the potential subsidy offers to at least one of: (i) a merchant selling the item
to the customer, and (ii) the subsidy provider.
25

36. The method of claim 32, wherein said selecting is based on previous
acceptance of each of the potential subsidy offers.

37. The method of claim 36, wherein the previous acceptance is associated with
30 at least one of: (i) the customer and (ii) a group of customers.

38. The method of claim 1, wherein the benefit comprises a subsidy amount to be applied to an original price associated with the item.

5 39. The method of claim 1, wherein the benefit comprises another item to be provided to the customer in place of the item.

40. The method of claim 1, wherein the benefit comprises another item to be provided to the customer in addition to the item.

10 41. The method of claim 1, wherein the benefit comprises an improved transaction term.

42. The method of claim 41, wherein the transaction term comprises at least one of: (i) a warranty term and (ii) an interest rate term.
15

43. The method of claim 1, wherein the transaction is between the customer and a first merchant and the subsidy provider comprises a second merchant.

20 44. The method of claim 1, wherein the benefit is associated with performance of a task by the customer.

45. The method of claim 44, wherein the task comprises at least one of: (i) applying for a service and (ii) subscribing to a service.

25 46. The method of claim 45, wherein the service comprises at least one of: (i) a telephone service, (ii) an Internet service, (iii) a banking service, (iv) a credit card account service, (v) an insurance service, (vi) a securities trading service, (vii) a satellite television service, and (viii) a cable television service.

30 47. The method of claim 44, wherein the task comprises at least one of: (i) purchasing another item, (ii) accessing a Web page, (iii) visiting a merchant, (iv) dialing a telephone number, and (v) answering a question.

48. A system for processing a transaction, comprising:

processor; and

a storage device in communication with said processor and storing instructions

5 adapted to be executed by said processor to:

receive an indication that a customer is interested in purchasing an item;

and

evaluate information associated with the transaction to determine a

subsidy offer, the subsidy offer being associated with a benefit from a subsidy

10 provider to be applied to the transaction.

49. A medium storing instructions adapted to be executed by a processor to perform a method of processing a transaction in which a customer purchases an item, said method comprising:

15 receiving an indication that the customer is interested in purchasing the item;

and

evaluating information associated with the transaction to determine a subsidy offer, the subsidy offer being associated with a benefit from a subsidy provider to be applied to the transaction.

20

50. A method for purchasing an item, comprising:

indicating an interest in purchasing the item; and

receiving a subsidy offer in response to the indication, the subsidy offer being

(i) based on an evaluation of information associated with the purchase and (ii)

25 associated with a benefit from a subsidy provider to be applied to the purchase in

exchange for performance of a task; and

accepting the subsidy offer.

51. A method for processing a transaction in which a customer purchases an item, comprising:

receiving through a communication network an indication that the customer is interested in purchasing the item in exchange for payment of an amount based on an original price;

evaluating information associated with the transaction to determine a subsidy offer, the subsidy offer being associated with a subsidy amount from a subsidy provider to be applied to the original price in exchange for performance of a task by the customer;

transmitting the subsidy offer to the customer through the communication network;

receiving a response to the subsidy offer from the customer through the communication network;

arranging for the customer to provide payment of an amount based on the original price less the subsidy amount; and

providing the item to the customer.

52. The method of claim 51, wherein the information comprises information associated with at least one of: (i) the customer and (ii) the item.

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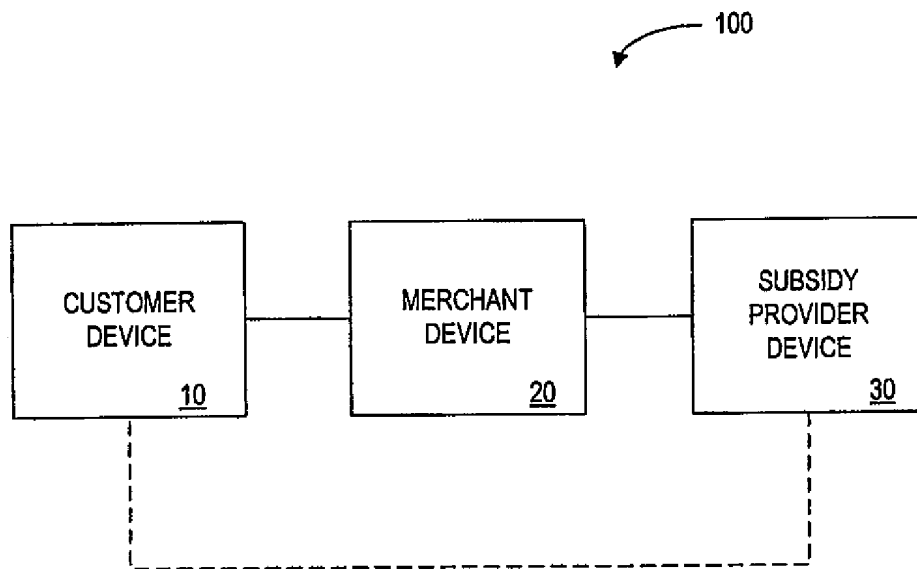


FIG. 1A

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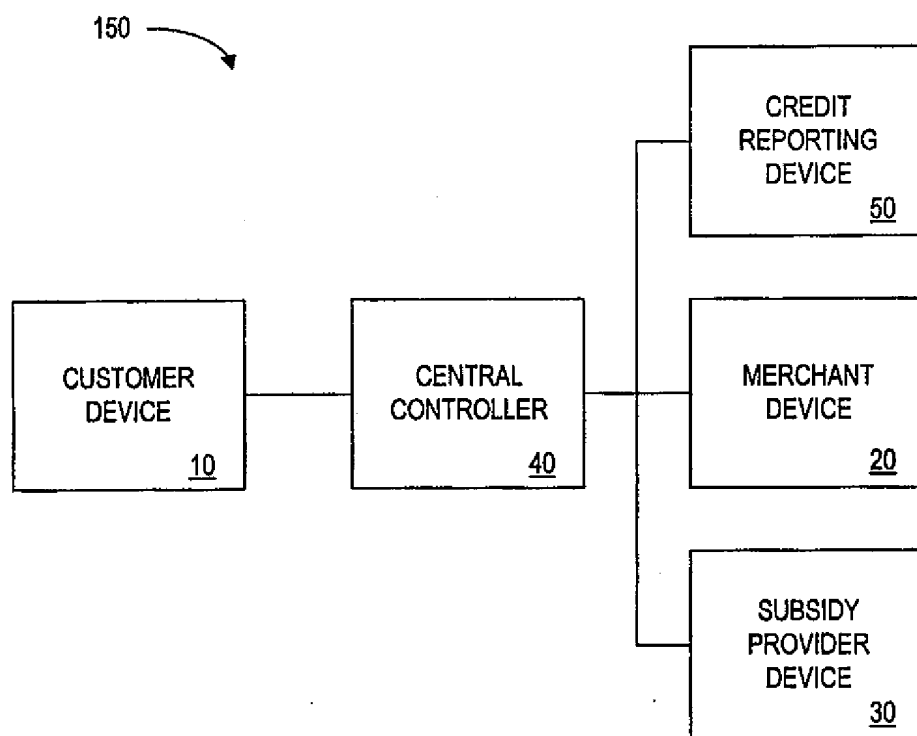


FIG. 1B

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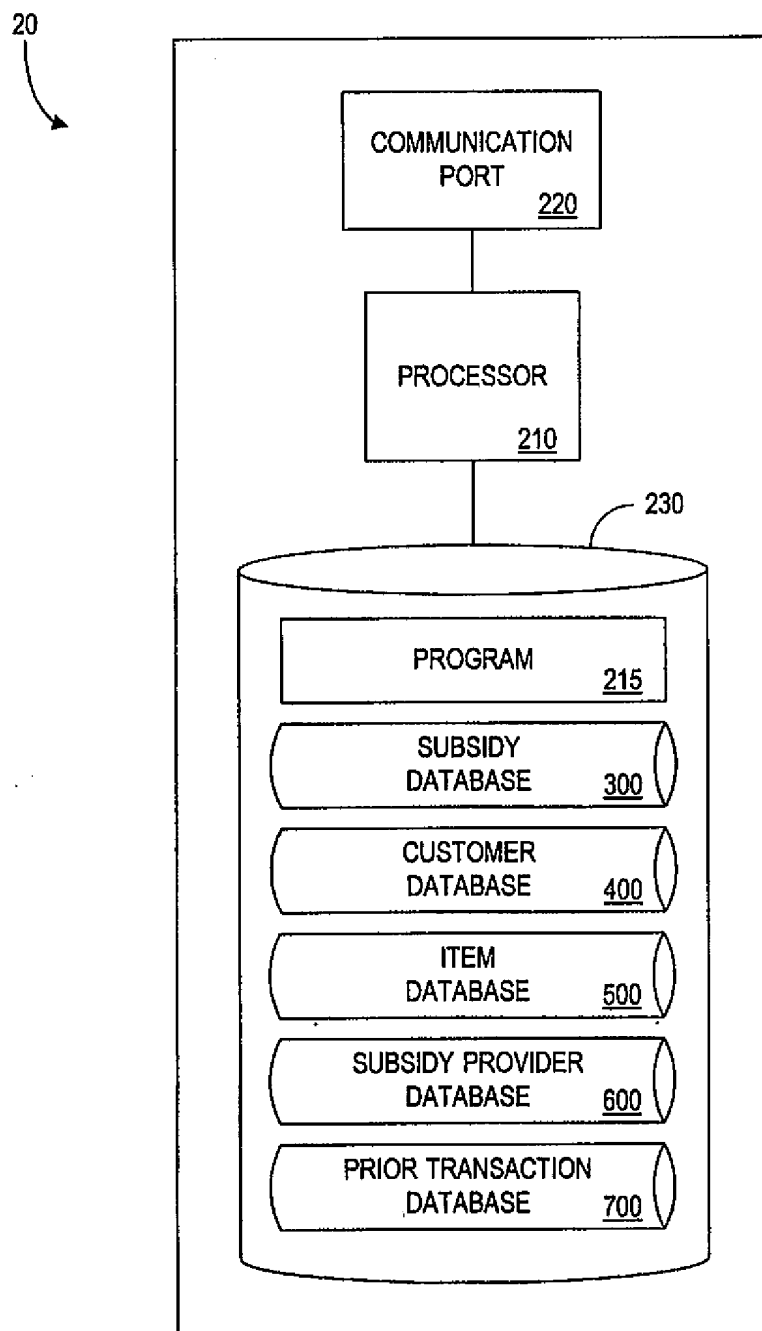


FIG. 2

300

SUBSIDY IDENTIFIER 302	SUBSIDY DESCRIPTION 304	SUBSIDY EVALUATION CRITERIA 306	SUBSIDY TASK 308	SUBSIDY BENEFIT 310	SUBSIDY PROVIDER IDENTIFIER 312
S1001	EARN \$50 CREDIT TOWARDS YOUR PURCHASE IF YOU APPLY FOR A CAPITAL ONE CREDIT CARD RIGHT NOW!	CUSTOMER NOT CURRENT CAPITAL ONE CARDHOLDER	CUSTOMER FILLS OUT CAPITAL ONE CREDIT CARD APPLICATION	\$50.00	SP101
S1002	YOUR PURCHASE IS FREE IF YOU SWITCH TO AT&T® ... SIGN UP NOW!	(1) ITEM PRICE < \$50 AND (2) CUSTOMER RESIDES IN ZIP CODE 06897, 02987, 01287, OR 88166	CUSTOMER SWITCHES LONG DISTANCE SERVICE TO AT&T®	UP TO \$50.00	SP102
S1003	CALL THIS NUMBER TO HEAR MORE ABOUT AN INTERNET SERVICE AND RECEIVE A TWO YEAR WARRANTY FOR YOUR NEW COMPUTER ... FREE!	(1) ITEM CATEGORY OF "COMPUTER" AND (2) CUSTOMER DOES NOT SUBSCRIBE TO ANOTHER INTERNET SERVICE	CUSTOMER CALLS A TELEPHONE NUMBER	TWO YEAR WARRANTY	SP103
S1004	SUBSCRIBE TO BIKING MAGAZINE® AND RECEIVE A FREE HELMET!	(1) DATE BEFORE 01/01/02, (2) CUSTOMER IS PURCHASING A BICYCLE AND (3) CUSTOMER IS A FEMALE UNDER 35 YEARS OLD	CUSTOMER SUBSCRIBES TO MAGAZINE	FREE HELMET	SP104
S1005	VISIT WWW.SUBSIDYPRO.COM/854321 TO LEARN HOW TO RECEIVE THIS PURCHASE FOR FREE!	(1) PURCHASE TOTAL < \$50, (2) MERCHANT IDENTIFIER = "M1001" AND (3) CUSTOMER CREDIT RATING < B	CUSTOMER COMPLETES A THIRTY MINUTE MARKETING SURVEY	FULL CREDIT FOR PURCHASE AMOUNT	SP105

FIG. 3

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400



CUSTOMER IDENTIFIER 402	CUSTOMER ADDRESS 404	CUSTOMER STATUS 406	ACCEPTED SUBSIDIES 408	REJECTED SUBSIDIES 410	CUSTOMER DEMOGRAPHIC INFORMATION 412
C101	10 MAIN STREET APARTMENT 401 NEW YORK, NY 10101	FREQUENT	S1001	S1004	SEX: F AGE: 25-35 INTERESTS: 3, 5
C102	20 WEST AVENUE STAMFORD, CT 06897	NEW	S1004	-	SEX: F AGE: 15-20 INTERESTS: NONE
C103	30 NATIONAL ROAD WASHINGTON, DC 22222	RECENTLY INACTIVE	-	-	SEX: F AGE: 20-25 INTERESTS: 1, 5
C104	40 OVERVIEW STREET PORTLAND, OR 12345	EXTENDED INACTIVE	-	-	SEX: M AGE: OVER 65 INTERESTS: 3

FIG. 4

500
↘

ITEM IDENTIFIER 502	ITEM DESCRIPTION 504	ITEM CATEGORY 506	ITEM PRICE 508
I-101	25 INCH SCREEN SONY TELEVISION	TELEVISION	\$400.00
I-102	32 INCH SCREEN SONY TELEVISION	TELEVISION	\$450.00
I-103	COMPUTER WITH 600 MHZ PROCESSOR AND 17 INCH MONITOR	COMPUTER	\$1,200.00

FIG. 5

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600
↘

SUBSIDY PROVIDER IDENTIFIER 602	SUBSIDY PROVIDER DESCRIPTION 604	CUSTOMER ACQUISITION RATE 606
SP101	CAPITAL ONE®	AVERAGE
SP102	AT&T®	HIGH
SP103	AMERICA ONLINE®	LOW

FIG. 6

700
↘

<div>TRANSACTION IDENTIFIER</div> <div>702</div>	<div>CUSTOMER IDENTIFIER</div> <div>704</div>	<div>ITEM IDENTIFIER</div> <div>706</div>	<div>OFFERED SUBSIDIES</div> <div>708</div>	<div>ACCEPTED SUBSIDIES</div> <div>710</div>	<div>TIME AND DATE</div> <div>712</div>
T101	C102	I-101	S1001 S1004	S1001	08:30 04/01/02
T102	C106	I-110	S1010	S1010	08:31 04/01/02
T103	C110	I-110 I-301	S1010	-	08:33 04/01/02
T104	C102	I-200	-	-	08:35 04/01/02

FIG. 7

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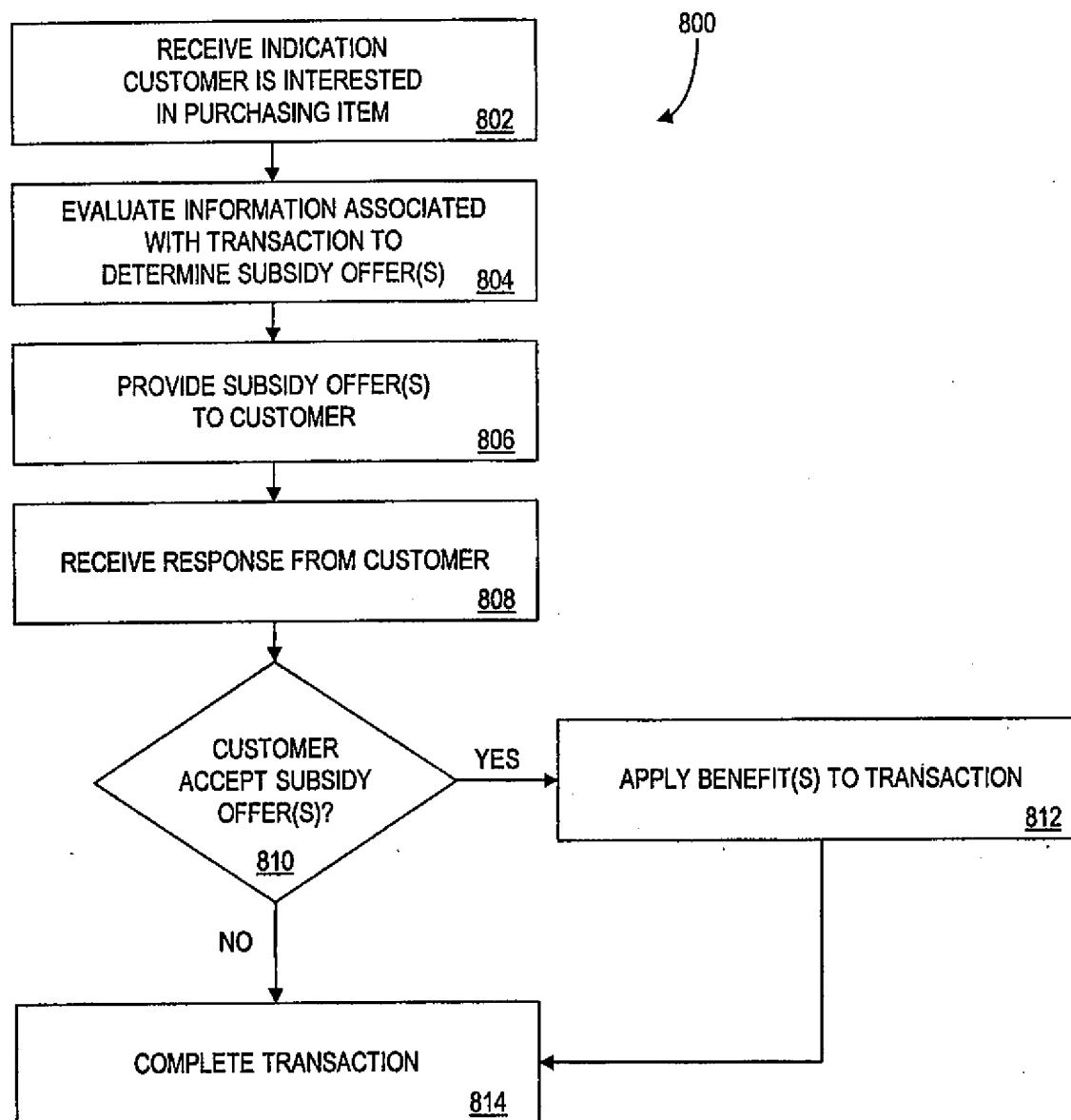


FIG. 8

10 / 11

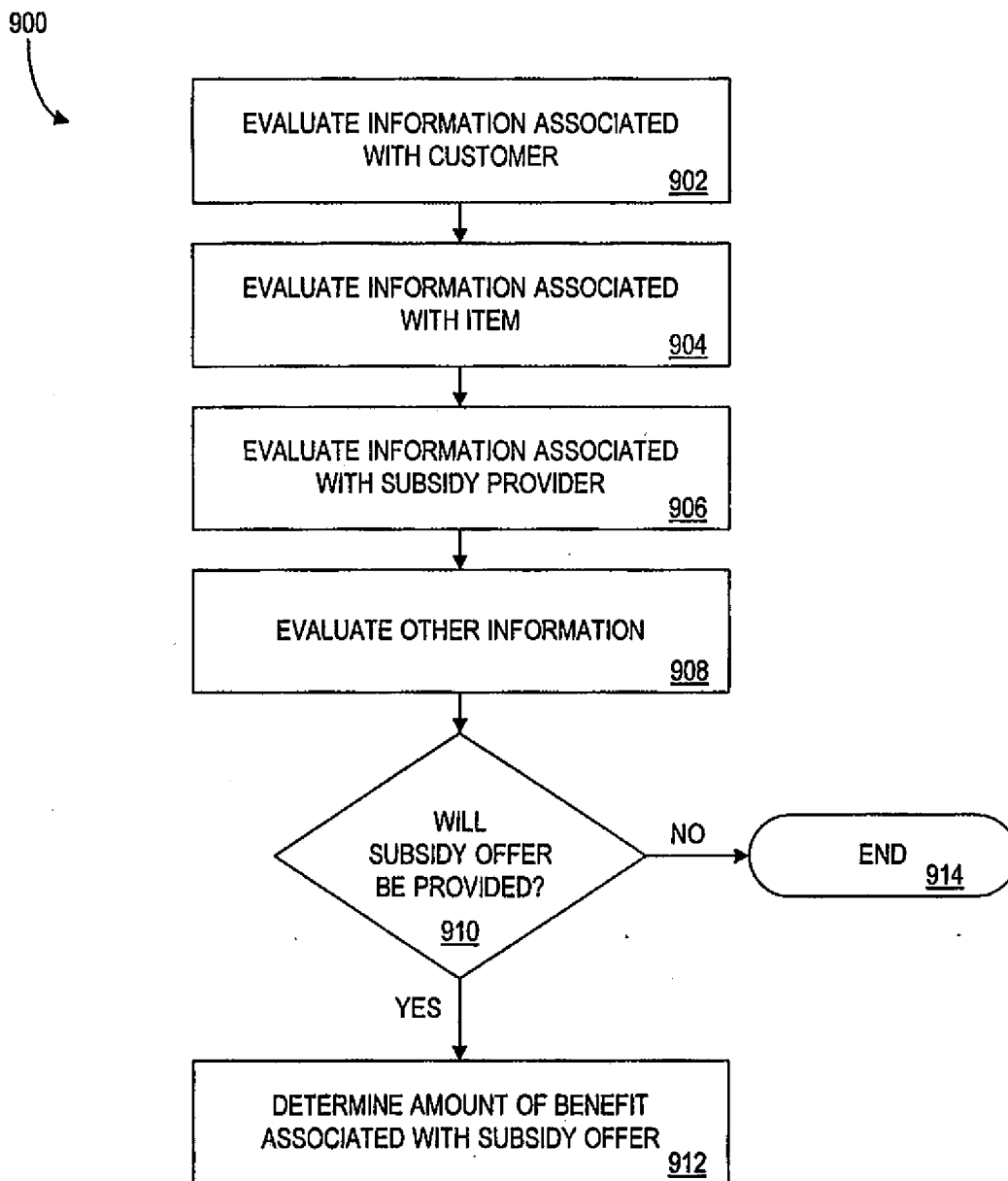


FIG. 9

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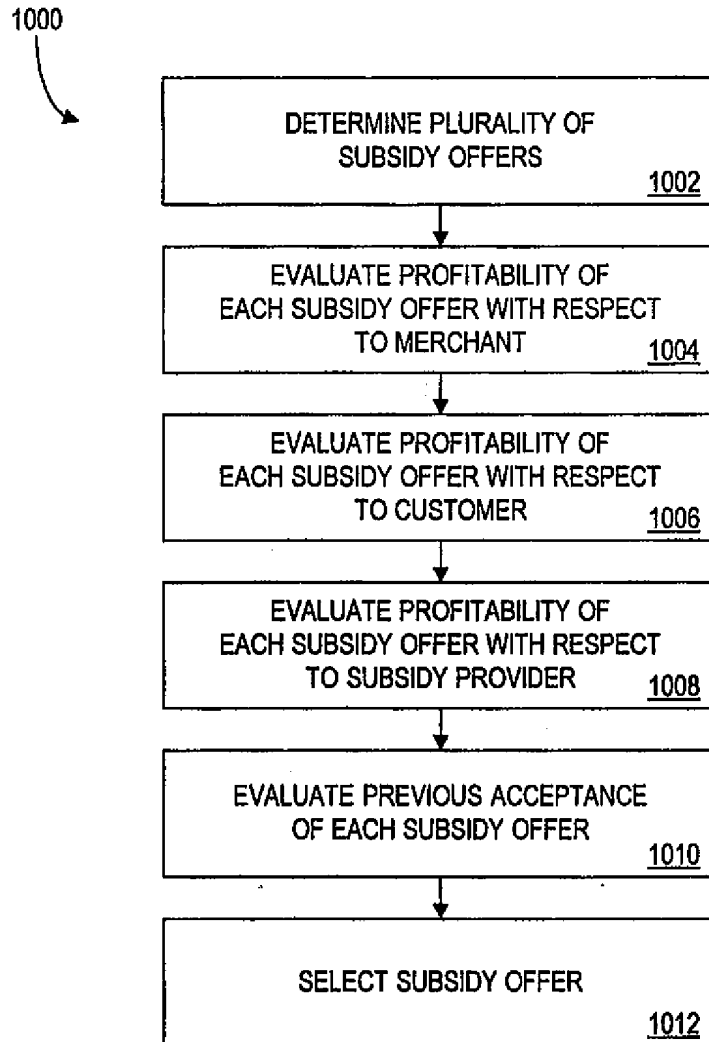


FIG. 10



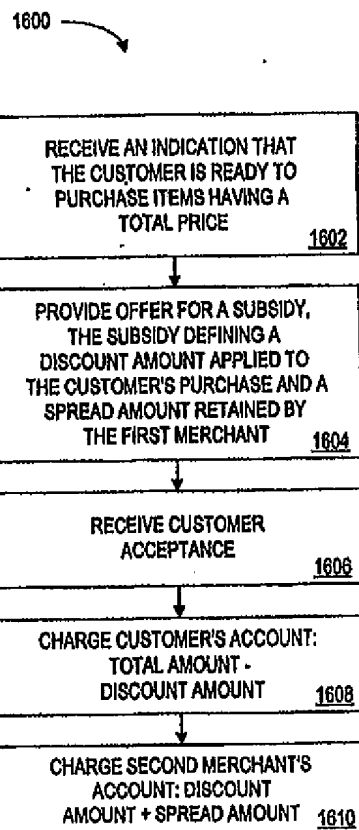
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<p>(21) International Application Number: PCT/US99/13409</p> <p>(22) International Filing Date: 14 June 1999 (14.06.99)</p> <p>(30) Priority Data: 09/100,684 19 June 1998 (19.06.98) US</p> <p>(71) Applicant: WALKER DIGITAL CORPORATION [US/US]; One High Ridge Park, Stamford, CT 06905-1326 (US).</p> <p>(72) Inventors: WALKER, Jay, S.; 124 Spectacle Lane, Ridgefield, CT 06877 (US). TBEDESCO, Daniel, E.; Apartment 6, 192 Park Street, New Canaan, CT 06940 (US). PACKES, John, M., Jr.; Apartment 12P, 1435 Bedford Street, Stamford, CT 06905 (US). JORASCH, James, A.; Apartment 5G, 25 Forest Street, Stamford, CT 06901 (US).</p> <p>(74) Agents: ALDERUCCI, Dean et al.; Walker Digital Corporation, Intellectual Property Dept., One High Ridge Park, Stamford, CT 06905 (US).</p>	<p>(81) Designated States: AE, AL, AM, AT, AU, AZ, BA, BB, BG, BR, BY, CA, CH, CN, CU, CZ, DE, DK, EE, ES, FI, GB, GD, GE, GH, GM, HR, HU, ID, IL, IS, JP, KE, KG, KP, KR, KZ, LC, LK, LR, LS, LT, LU, LV, MD, MG, MK, MN, MW, MX, NO, NZ, PL, PT, RO, RU, SD, SE, SG, SI, SK, SL, TJ, TM, TR, TT, UA, UG, UZ, VN, YU, ZA, ZW, ARIPO patent (GH, GM, KE, LS, MW, SD, SL, SZ, UG, ZW), Eurasian patent (AM, AZ, BY, KG, KZ, MD, RU, TJ, TM), European patent (AT, BE, CH, CY, DE, DK, ES, FI, FR, GB, GR, IE, IT, LU, MC, NL, PT, SE), OAPI patent (BF, BJ, CF, CG, CI, CM, GA, GN, GW, ML, MR, NE, SN, TD, TG).</p> <p>Published With international search report. Before the expiration of the time limit for amending the claims and to be republished in the event of the receipt of amendments.</p>	

(54) Title: METHOD AND APPARATUS FOR FACILITATING ELECTRONIC COMMERCE THROUGH PROVIDING CROSS-BENEFITS DURING A TRANSACTION

(57) Abstract

A merchant server of a first merchant receives an indication (1602) of items that a customer is to purchase via a web site. The indication (1602) may be, for example, a signal indicating that the customer is ready to "check out" his shopping cart of items on the web site. In response, the merchant server provides an offer (1604) for a subsidy from a second merchant. The offer (1604) is provided before the items are purchased, and thus the offer is not provided unless and until the customer has manifested an intent to make a purchase from the first merchant. A response (1606) is received from the customer. If the response (1606) indicates acceptance of the offer, then the subsidy is applied to the items purchased (1610). For example, the total price paid for the items may be reduced, or the items may even be provided to the customer without charge.



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METHOD AND APPARATUS FOR FACILITATING ELECTRONIC COMMERCE
THROUGH PROVIDING CROSS-BENEFITS DURING A TRANSACTION

The present application is a continuation-in-
5 part application of co-pending Patent Application Serial
No.08/943 entitled "SYSTEM AND METHOD FOR FACILITATING
ACCEPTANCE OF CONDITIONAL PURCHASE OFFERS (CPOs)" to
Andrew S. Van Luchene, Daniel E. Tedesco, James A.
Jorasch, Jay S. Walker and Thomas M. Sparico filed on
10 October 3, 1997, which is a continuation-in-part of co-
pending U.S. patent application Serial No. 08/923,683
entitled "CONDITIONAL PURCHASE OFFER (CPO) MANAGEMENT
SYSTEM FOR PACKAGES" to Andrew S. Van Luchene, Daniel E.
Tedesco, James A. Jorasch, Jay S. Walker and T. Scott
15 Case filed September 4, 1997, which is a continuation-in-
part of U.S. patent application Serial No. 08/889,319
entitled "CONDITIONAL PURCHASE OFFER MANAGEMENT SYSTEM"
to Bruce Schneier, James A. Jorasch, Jay S. Walker and T.
Scott Case filed July 8, 1997, which is a continuation-
20 in-part of U.S. Patent No. 5,794,207 entitled "METHOD AND
APPARATUS FOR A CRYPTOGRAPHICALLY ASSISTED COMMERCIAL
NETWORK SYSTEM DESIGNED TO FACILITATE BUYER-DRIVEN
CONDITIONAL PURCHASE OFFERS" issued to Bruce Schneier,
James A.Jorasch and Jay S. Walker on August 11, 1998; and
25 a continuation-in-part of co-pending U.S. patent
application Serial No. 09/100,684 entitled "BILLING
STATEMENT CUSTOMER ACQUISITION SYSTEM" to Daniel E.

Tedesco, James A. Jorasch and Jay S. Walker filed on June 19, 1998, which is a continuation-in-part of co-pending U.S. patent application Serial No. 08/982,149 entitled "METHOD AND APPARATUS FOR PRINTING A BILLING STATEMENT TO
5 PROVIDE SUPPLEMENTARY PRODUCT SALES" to Jay S. Walker, Daniel E. Tedesco, Andrew S. Van Luchene and Dean P. Alderucci filed on December 1, 1997; and a continuation-in-part of co-pending U.S. patent application Serial No. 08/994,426 entitled "METHOD AND APPARATUS FOR PROVIDING
10 SUPPLEMENTARY PRODUCT SALES TO A CUSTOMER AT A CUSTOMER TERMINAL" to Jay S. Walker, Andrew S. Van Luchene and Daniel E. Tedesco filed on December 19, 1997, which is a continuation-in-part of co-pending U.S. patent Application Serial No. 08/920,116 entitled "METHOD AND
15 SYSTEM FOR PROCESSING SUPPLEMENTARY PRODUCT SALES AT A POINT-OF-SALE TERMINAL" to Jay S. Walker, James and Andrew S. Van Luchene filed on August 26, 1997, which is a continuation-in-part of co-pending U.S. patent application Serial No. 08/822,709 entitled "SYSTEM AND
20 METHOD FOR PERFORMING LOTTERY TICKET TRANSACTIONS UTILIZING POINT-OF-SALE TERMINALS" to Jay S. Walker, James A. Jorasch and Sanjay K. Jindal, each of the foregoing applications incorporated herein by reference.

FIELD OF THE INVENTION

The present invention relates to methods and apparatus for facilitating electronic commerce.

5 BACKGROUND OF THE INVENTION

Electronic commerce is becoming more accepted as growing numbers of customers find shopping via the World Wide Web more appealing. However, electronic commerce suffers many problems that have plagued conventional commerce. For example, there is a great deal of competition among merchants to
10 attract and retain customers that actually make purchases. Price competition is even stronger on the Internet, where customers can more readily "shop around" and determine the prices offered by various merchants.

Even when a customer has browsed a merchant's inventory, he may not make a purchase if an item's price is greater than the customer is willing to pay. One
15 way to increase customer willingness to purchase, via the World Wide Web or otherwise, is to provide discounts on items purchased. Unfortunately, merchants must use discounts sparingly, since reducing purchase prices likewise reduces profits and the reduced profits may not be offset by increased sales.

It is known for a merchant to offer promotions to provide an incentive
20 for customers to make purchases. For example, a merchant may offer a "buy one get one free" promotion whereby a purchase of an item yields the benefit of an additional item at no cost. Similarly, a merchant may provide a discount on a purchase in exchange for signing up for a credit card account provided by the merchant.

It is known to provide a promotion among more than one merchant. For example, a first merchant may advertise that if a product is purchased, a second product may be purchased from or given away by a second merchant.

It is also known for a promotion to be provided at the point of sale. 5 For example, a web site of a merchant may provide a "banner advertisement" that allows a customer to go to another site to make a second purchase.

It would be advantageous to facilitate further electronic commerce in a manner that maintained an acceptable level of profits for merchants yet increased a customer's willingness to make purchases.

10

SUMMARY OF THE INVENTION

It is an object of the present invention to facilitate electronic commerce.

In accordance with the present invention, a merchant server of a first 15 merchant receives an indication of items that a customer is to purchase via a web site. The indication may be, for example, a signal indicating that the customer is ready to "check out" his shopping cart of items on the web site. In response, the merchant server provides an offer for a benefit from a second merchant, which may be referred to as a cross-benefit. The offer is provided before the items are purchased, and thus 20 the offer is not provided unless and until the customer has manifested an intent to make a purchase from the first merchant. A response to the offer is received from the customer. If the response indicates acceptance of the offer, then the benefit is applied to the items purchased. For example, the total price paid for the items may be reduced, or the items may even be provided to the customer without charge.

In exchange, the customer agrees to participate in a transaction with the second merchant. For example, the customer may be required to switch service providers (e.g. long distance telephone service) or initiate a new service agreement (e.g. sign up for a credit card account). In one embodiment, the customer's agreement
5 may be secured, such that a penalty is assessed against the customer if he does not participate in the transaction as he agreed to.

BRIEF DESCRIPTION OF THE DRAWINGS

FIG. 1 is a schematic illustration of an apparatus for facilitating
10 electronic commerce.

FIG. 2 is a schematic illustration of a merchant server of the apparatus of FIG. 1.

FIG. 3 is a representation of a customer database of the merchant server of FIG. 2.

15 FIG. 4 is a representation of an item database of the merchant server of FIG. 2.

FIG. 5 is a representation of a transaction database of the merchant server of FIG. 2.

20 FIG. 6 is a representation of a subsidizer database of the merchant server of FIG. 2.

FIG. 7 is a representation of an offer rules database of the merchant server of FIG. 2.

FIG. 8 is a representation of an offers database of the merchant server of FIG. 2.

FIG. 9 is a representation of a record of an offer summary database of the merchant server of FIG. 2.

FIG. 10 is a flow chart illustrating an embodiment of a method for providing an offer for a benefit to a customer that is to purchase items from a merchant.

FIG. 11 is an exemplary web page.

FIG. 12 is another exemplary web page.

FIGS. 13A and 13B are a flow chart illustrating another embodiment of a method for providing an offer for a benefit to a customer that is to purchase items from a merchant.

FIGS. 14A and 14B are a flow chart illustrating another embodiment of a method for providing an offer for a benefit to a customer that is to purchase items from a merchant.

FIG. 15 is a flow chart illustrating another embodiment of a method for providing an offer for a benefit to a customer that is to purchase items from a merchant.

FIG. 16 is a flow chart illustrating another embodiment of a method for providing an offer for a benefit to a customer that is to purchase items from a merchant.

20

DETAILED DESCRIPTION OF THE PREFERRED EMBODIMENTS

Applicants have recognized that the acquisition budgets of various service providers may be advantageously used to facilitate electronic commerce. A customer that is purchasing items from a first merchant may be paid by a second merchant, so that the customer pays a reduced price, or nothing at all, for his desired

items. In exchange, the customer signs up or agrees to sign up for a service that is provided by the second merchant. Since many service providers are willing to pay significant amounts of money (e.g. often \$50 to \$200) to acquire a new customer, the ability to acquire a customer by essentially "intervening" in a sale between others can benefit all parties involved. The customer is benefited by the reduced price of his items, the first merchant is benefited by the increased sales that such an arrangement would bring, and the second merchant is benefited by the acquisition of a new customer.

Furthermore, by presenting offers for such "cross-subsidies" only after a customer is ready to buy items, the merchant may reduce the chance that customers will merely "bargain shop", rather than make purchases.

In addition, a number of benefits may be offered besides reduced prices. For example, the first merchant may alternatively provide the customer with an upsell (e.g. a product upgrade for no additional cost).

Referring to FIG. 1, an apparatus 100 includes a merchant server 110 that is in communication with a customer terminal 120 and with subsidizing merchant servers 130, 140 and 150. The merchant server 110 may communicate with the customer terminal 120 and subsidizing merchant servers 130, 140 and 150 via an appropriate network such as the Internet. Each of the customer terminal 120 and with subsidizing merchant servers 130, 140 and 150 may comprise computers, such as those based on the Intel® Pentium® microprocessor, that are adapted to communicate via the Internet (e.g. via a modem). Any number of subsidizing merchant servers and customer terminals may be in communication with the merchant server 110.

The merchant server 110 may be a "web server" of a merchant. The merchant server 110 can generate a web page that may be accessed via the World

Wide Web and allow purchases from the merchant to be made in a manner known in the art. A customer terminal may appropriately access the web page to communicate with the merchant server 110 in a manner that is also known to those skilled in the art.

Referring to FIG. 2, the merchant server 110 comprises a processor
5 200, such as the Intel® Pentium® microprocessor. The processor 200 is in communication with a data storage device 210, such as an appropriate combination of magnetic, optical and/or semiconductor memory. For example, the data storage device 210 may comprise one or more of a ROM, RAM and hard disk. The processor 200 and the data storage device 210 may each be (i) located entirely within a single
10 computer or other computing device; (ii) connected to each other by a remote communication medium, such as a serial port cable, telephone line or radio frequency transceiver; or (iii) a combination thereof. In one embodiment, the merchant server 110 may comprise one or more computers that are connected to a remote server computer for maintaining databases.

15 The data storage device 210 stores a program 220 for controlling the processor 200. The processor 200 performs instructions of the program 220, and thereby operates in accordance with the present invention, and particularly in accordance with the methods described in detail herein. The program 220 furthermore includes program elements that may be necessary, such as an operating
20 system and "device drivers" for allowing the processor 200 to interface with computer peripheral devices. Appropriate device drivers and other necessary program elements are known to those skilled in the art, and need not be described in detail herein.

The storage device 210 also stores (i) a customer database 230, (ii) a item database 240, (iii) a transaction database 250, (iv) a subsidizer database 260, (v)
25 an offer rules database 270, (vi) an offers database 280 and (vii) an offer summary

database 290. The databases 230, 240, 250, 260, 270, 280 and 290 are described in detail below and depicted with exemplary entries in the accompanying figures. As will be understood by those skilled in the art, the schematic illustrations and accompanying descriptions of the databases presented herein are exemplary arrangements for stored representations of information. A number of other arrangements may be employed besides those suggested by the tables shown. Similarly, the illustrated entries of the databases represent exemplary information, and those skilled in the art will understand that the number and content of the entries can be different from those illustrated herein.

10 Referring to FIG. 3, a table 300 represents an embodiment of the customer database 230 (FIG. 2). The table 300 includes entries 302, 304, 306 and 308, each defining a customer that may purchase items via the merchant server 110 (FIG. 1). Those skilled in the art will understand that the table 300 may include any number of entries. The table 300 also defines fields for each of the entries 302, 304, 15 306 and 308. The fields specify (i) a customer identifier 320 that uniquely identifies the customer, (ii) a name 322 of the customer, (iii) a billing address 324 of the customer, (iv) credit card information 326 which may be used to render payment in purchasing the items, and (v) an electronic mail ("email") address 328 for communication with the customer.

20 Referring to FIG. 4, a table 400 represents an embodiment of the item database 240 (FIG. 2). The table 400 includes entries 402 and 404, each defining an item sold via the merchant server 110 (FIG. 1). Those skilled in the art will understand that the table 400 may include any number of entries. The table 400 also defines fields for each of the entries 402 and 404. The fields specify (i) a item 25 identifier 420 that uniquely identifies the item, (ii) an item description 422, (iii) an

item price 424 for which the item is typically sold, and (iv) an availability 426 of the item which may be based on an inventory level of the item.

Referring to FIG. 5, a table 500 represents an embodiment of the transaction database 250 (FIG. 2). The table 500 includes entries 502, 504 and 506, each defining a transaction with the merchant server 110 (FIG. 1). Typically, the transaction includes a purchase of items by a customer. Those skilled in the art will understand that the table 500 may include any number of entries. The table 500 also defines fields for each of the entries 502, 504 and 506. The fields specify (i) a transaction identifier 520 that uniquely identifies the transaction, (ii) a time 522 of the transaction, (iii) the items ordered 524, (iv) credit card information 526 that may define a credit card account that was charged to pay for the items purchased, (v) an amount charged 528 for the items, (vi) a delivery address 530 for the items, and (vii) a customer identifier 532 (if any) that identifies the customer that made the purchase.

Referring to FIG. 6, a table 600 represents an embodiment of the subsidizer database 260 (FIG. 2). The table 600 includes entries 602, 604 and 606, each defining a party (e.g. another merchant) that may subsidize purchases made via the merchant server 110 (FIG. 1). Those skilled in the art will understand that the table 600 may include any number of entries. The table 600 also defines fields for each of the entries 602, 604 and 606. The fields specify (i) a subsidizing party identifier 620 that uniquely identifies the subsidizing party, (ii) a name 622 of the subsidizing party, (iii) an account 624 used to pay for the subsidies, and (iv) an amount owed 626 by the subsidizing party to the merchant.

Referring to FIG. 7, a table 700 represents an embodiment of the offer rules database 270 (FIG. 2). The table 700 includes entries 702, 704, 706, 708 and 710, each defining an offer rule. When an offer rule is satisfied during a transaction,

the merchant provides an offer for a specified benefit, such as a subsidy. Those skilled in the art will understand that the table 700 may include any number of entries. The table 700 also defines fields for each of the entries 702, 704, 706, 708 and 710. The fields specify (i) an offer rule identifier 720 that uniquely identifies the offer rule, (ii) a subsidizing party identifier 722 that uniquely identifies the subsidizing party, (iii) a subsidy amount 724, (iv) when the offer rule is effective (i.e. when the offer rule is satisfied), and (v) an additional transaction 728 that is required of the customer in exchange for the subsidy. As described below, several types of transactions, such as additional purchases or initiating service agreements, may be required of the customer.

Referring to FIG. 8, a table 800 represents an embodiment of the offers database 280 (FIG. 2). The table 800 includes entries 802, 804, 806, 808 and 810, each defining an offer for a subsidy. The offer was provided to a customer during a transaction of the customer with the merchant. Those skilled in the art will understand that the table 800 may include any number of entries. The table 800 also defines fields for each of the entries 802, 804, 806, 808 and 810. The fields specify (i) an offer identifier 820 that uniquely identifies the offer, (ii) a transaction identifier 822 that uniquely identifies the transaction during which the offer was provided, (iii) a subsidizing party identifier 824 that uniquely identifies the subsidizing party, (iv) an identifier of an offer rule 826 that was satisfied during the transaction, (v) a subsidy amount 828, (vi) a total price 830 that the customer would have to pay without the subsidy, (vii) a total price 832 that the customer would have to pay with the subsidy, and (viii) whether the offer was accepted 834. As described above with reference to FIG. 7, offer rules define specific subsidies. Thus, the identifier of an offer rule stored in field 826 may be used to determine a corresponding subsidy amount.

Referring to FIG. 9, a table 900 represents a record of an embodiment of the offer summary database 290 (FIG. 2). The offer summary database 290 typically includes a plurality of records, each defining a summary of offers for subsidies that have been provided on behalf of a subsidizing party. The table 900 includes a subsidizing party identifier 902 that uniquely identifies the subsidizing party, a total number of offers provided 904 on behalf of the subsidizing party, a total number of those offers that were accepted 906, and a total amount 908 of the subsidies due in connection with accepted offers.

The table 900 also includes entries 910 and 912, each defining offers provided due to satisfaction of an offer rule of the subsidizing party. Those skilled in the art will understand that the table 900 may include any number of entries. The table 900 also defines fields for each of the entries 910 and 912. The fields specify (i) an offer rule identifier 920 that uniquely identifies the offer rule, (ii) a number 922 of offers provided due to the offer rule, (iii) a number 924 of these offers that were accepted, (iv) an amount 926 of the subsidies due in connection with these accepted offers.

Referring to FIG. 10, a flow chart 1000 illustrates an embodiment of a method for providing an offer for a benefit to a customer that is to purchase items from a merchant. In one embodiment, the illustrated method is performed by the merchant server 110 after the customer has accessed a web page generated and/or controlled by the merchant server 110.

The merchant server 110 receives an indication that the customer is to purchase items from the web site of the merchant (step 1002). For example, after a customer accesses the web site, the customer may select one or more items to purchase, and "click" a button that indicates that the customer desires to purchase the

selected items. The act of clicking could generate a signal that the merchant server 110 interprets as an indication that the customer is to purchase the selected items. In another embodiment, the act of accessing the web site could generate a signal that the merchant server 110 interprets as an indication that the customer is to purchase the selected items. Those skilled in the art will understand still other types of appropriate indications.

Before the customer purchases the items, the merchant server 110 provides the customer with an offer for a subsidy (step 1004). For example, the web page may display text describing the subsidy. In one embodiment, the web page may be dynamically modified to include a button that, when clicked, indicates acceptance of an offer for a subsidy. Alternatively, the offer may be transmitted to the customer via email or other means.

A response to the offer is received from the customer (step 1006). For example, the customer may click a button on the web page or click on a hyperlink on the web page. If it is determined that the offer is not accepted (step 1008), then the transaction is processed conventionally (step 1010). For example, the items are purchased for the conventional total price, and a credit card account of the customer is charged appropriately.

If it is determined that the offer is accepted (step 1008), then the subsidy is applied to the items (step 1012) and the items are sold to the customer with the benefit of the subsidy (step 1014).

Referring to FIG. 11, an exemplary web page 1100 illustrates a possible means for providing an offer for a benefit and receiving an acceptance of the offer. The web page 1100 illustrates an embodiment in which the merchant sells books via the World Wide Web. A book that the customer is ready to purchase is

indicated by text 1102, and a quantity of that book (one book in FIG. 11) is indicated by text 1104. A price of the books is indicated by text 1106, and similarly a total price (e.g. the sum of item prices and any other prices) due from the customer is indicated by text 1108.

5 A button 1110 is clicked by the customer if the customer desires to purchase the specified items and thereby consummate the purchase. Upon clicking the button 1110, the items may be immediately deemed as having been purchased by the customer. A button 1112 is clicked by the customer if the customer desires to accept an offer for a subsidy. Alternatively, actuating the button 1112 may indicate
10 that the customer is interested in further information regarding an offer for a subsidy, and the customer may subsequently indicate whether he accepts the offer.

Referring to FIG. 12, a second exemplary web page 1200 allows the customer to provide customer information via a form having fields 1202 that receive entered text. The customer information is used in applying for a credit card account
15 with a credit card issuer. In one embodiment, the web page 1200 may be displayed after the customer clicks the button 1110 of FIG. 11. Information that is entered via the web page 1200 may be transmitted to the merchant server 110 upon actuation of a button 1204. Actuation of the button 1204 may furthermore indicate acceptance of the offer for the subsidy. For example, actuation of the button 1204 may indicate a
20 willingness to apply for a credit card account, or that the customer has applied for the credit card account. Conversely, actuation of the button 1206 may indicate rejection of the offer for the subsidy.

Referring to FIGS. 13A and 13B, a flow chart 1300 illustrates another embodiment of a method for providing an offer for a benefit to a customer that is to
25 purchase items from a merchant. The merchant server 110 receives an indication that

the customer is ready to purchase items from the web site of a first merchant (step 1302). A customer may indicate his readiness to purchase by, for example, selecting items to purchase and actuating a specific button that consummates the purchase of the items. Before the customer purchases the items, the merchant server 110 provides
5 the customer with an offer for a subsidy from a second merchant (step 1304). Subsequently, a response from the customer is received (step 1306).

If it is determined that the offer is not accepted (step 1308), then the transaction is processed conventionally (step 1310). If however it is determined that the offer is accepted (step 1308), then customer information is received (step 1312).
10 Such customer information may be used in providing or facilitating an additional transaction that is required of the customer in exchange for the subsidy. In one embodiment described in further detail below, in exchange for the subsidy the customer agrees to initiate a new service agreement, so that a service is provided by the second merchant. Accordingly, the customer information may comprise an
15 indication of a service that is provided to the customer (e.g. whether the customer has cable television service), or a service provider that provides a service to the customer (e.g. which company provides cable television service to the customer). The additional transaction may occur after a significant amount of time has elapsed. Accordingly, in one embodiment there is a means for determining if the future action
20 has occurred.

Furthermore, a penalty may be assessed against the customer if the customer does not perform the required additional transaction. For example, the subsidy to the customer may be canceled and the transaction may then be processed conventionally. Alternatively, a penalty fee may be charged to the customer.

Similarly, a penalty could be assessed if another imposed condition is violated. For example, a penalty could be assessed if the items are purchased and then returned. Accordingly, in such an embodiment a returnable purchase is made a non-returnable purchase in exchange for the subsidy or other benefit.

5 The customer information may be received from the customer. In one embodiment, the merchant server 110 can request that the customer provide customer information. For example, the merchant server 110 may transmit a form (e.g. via the web site) including questions to be answered. In response, the merchant server would receive answers to the questions, and these answers would constitute the customer
10 information from the customer.

In another embodiment, the customer information may be received from a party other than the customer. For example, information regarding the customer may be received from a third-party database (e.g. a list of addresses to provide a location of the customer). Alternatively, customer information may be
15 received from an ISP (Internet Service Provider), which can provide information such as an Internet address of the customer.

In still another embodiment, the customer information may be received via a "cookie" stored on the customer terminal 120 (FIG. 1). Those skilled in the art will understand that a great variety of data may be stored in such cookies, and
20 information may be stored in the cookie in response to various events such as the web sites that are visited by the customer.

The merchant server 110 may verify whether the customer information is accurate (step 1314). For example, if the information is provided by the customer, it can be advantageous to assure that the customer information is not false. To
25 provide a further incentive for the customer to provide accurate customer information,

a penalty may be assessed against the customer if the customer information is not accurate. For example, if it is determined that the customer information is not accurate (step 1316), the subsidy to the customer may be canceled and the transaction is processed conventionally (step 1310). Alternatively, a penalty fee may be charged to the customer if it is determined that the customer information is not accurate. In such an embodiment, it may be further advantageous to verify the customer information before the purchase is consummated. Thus, the threat that the subsidy will not be forthcoming can give the customer an incentive to provide accurate information.

10 If it is determined that the customer information is accurate (step 1316), then the merchant server 110 determines the amount of the subsidy (step 1318). The subsidy amount is typically stored in the offer rules database 270 (FIG. 2). The subsidy amount may be, for example, a predetermined amount or a predetermined percentage (e.g. a predetermined percentage of the total price). The subsidy amount may also be limited, such that the price charged cannot be lower than zero. For example, a subsidy amount may be "up to \$100 off, but no more than the total price".

 The subsidy amount is subtracted from the total price of the items (step 1320) and the items are sold for the reduced total price (step 1322). Alternatively, instead of the total price being reduced, a price of one or more items (e.g. items of a certain type or promotional items) may be reduced to provide an incentive to purchase these items. In summary, accepting the subsidy allows the items to be sold to the customer for a lesser price, and the items may even be provided to the customer without charge.

Referring to FIGS. 14A and 14B, a flow chart 1400 illustrates another embodiment of a method for providing an offer for a benefit to a customer that is to purchase items from a first merchant. The merchant server 110 receives a signal indicating that the customer is ready to "check out" his "shopping cart" of items on the web site of the first merchant (step 1402). As is understood by those skilled in the art, a shopping cart of items on a web site defines a set of items the customer desires to purchase. Checking out the shopping cart indicates a desire to proceed with purchasing the selected items.

Before the customer purchases the items, the merchant server 110 provides the customer with an offer for a reduction in the total price in exchange for signing up for a service with a second merchant (step 1404). For example, the service may be telephone service, Internet service, banking services, credit card account services, insurance service, securities trading service, satellite television service, or cable television service. Accordingly, the second merchant would be a provider of such services, and the customer would be requested to participate in a transaction (e.g. initiate a service agreement with) with the second merchant.

Subsequently, a response from the customer is received (step 1406). If it is determined that the offer is not accepted (step 1408), then the transaction is processed conventionally (step 1410). If however it is determined that the offer is accepted (step 1408), then a current service provider of the customer (i.e. a party that provides a specified service to the customer) is determined (step 1412). The customer may be asked to provide information of the current provider, or this information may be determined from other sources. For example, one or more databases may be accessed to determine the long distance telephone service provider of the customer.

Alternatively, the second merchant may allow access to a database of its existing customers.

If it is determined that the customer has a service provider (step 1414), and it is determined that the second merchant already provides the customer with the specified service (step 1416), then the transaction is processed conventionally (step 1410). If it is determined that the customer has a service provider (step 1414), but it is determined that the second merchant does not provide the customer with the specified service (step 1416), then the customer must have a service agreement with another service provider. Accordingly, the existing service agreement is canceled (step 1418).

If it is determined that the customer does not have a service provider of the specified service at all (step 1414), (or if the merchant server 110 will cancel or has canceled the existing service agreement) then a new service agreement is initiated with the second merchant (step 1420). Thus, the second merchant has acquired a new customer, either by signing up the customer for a new service or by switching providers of the specified service that is provided to the customer. In exchange, the total price of the shopping cart of items is reduced by the amount of the subsidy (step 1422), and the items are sold for this reduced total price (step 1424).

Referring to FIG. 15, a flow chart 1500 illustrates another embodiment of a method for providing an offer for a benefit to a customer that is to purchase items from a first merchant. The merchant server 110 receives an indication that the customer is ready to purchase items from the web site of a first merchant (step 1502). The merchant server 110 may also receive customer information (step 1504), as described above. The customer information may comprise, for example, a location of the customer or a current service provider of the customer.

A set of subsidies for which the customer may be eligible is determined (step 1506). In one embodiment, the set of subsidies is determined based on customer information. For example, upon reference to the customer information, one or more offer rules may be satisfied. The corresponding subsidies would then be included in the set of subsidies. In another embodiment, the offer rules may be satisfied without reference to customer information. For example, an offer rule may be satisfied if the total price of the items (or the price of any of the item) is greater than a predetermined threshold. In yet another embodiment, one or more subsidizing merchants may be contacted, customer information may be transmitted to the subsidizing merchants, and in response the subsidizing merchants may transmit to the merchant server 110 a description of a subsidy to offer.

Offers for each of the subsidies may be provided to the customer (step 1508) for the customer to select one (or more). For example, each offer may be listed on a web page, and the customer must click a hyperlink corresponding to his desired offer. The customer selection is received (step 1510) and the corresponding subsidy is applied to the customer's purchase (step 1512). Alternatively, the customer may be similarly prompted to select a merchant from a plurality of merchants, and the customer would subsequently be provided with an offer for a subsidy from the selected merchant.

Referring to FIG. 16, a flow chart 1600 illustrates another embodiment of a method for providing an offer for a benefit. In particular, the illustrated flow chart 1600 shows the exchange of payment among the parties. The merchant server 110 receives an indication that the customer is ready to purchase items having a total price (step 1602). In response, the merchant server 110 provides an offer for a subsidy (step 1604). The subsidy defines a discount amount that is applied to the

customer's purchase. The subsidy also defines a spread amount that is retained by the first merchant.

Once the customer acceptance is received (step 1606), the customer's account (e.g. a credit card account) is charged by the total amount less the discount amount (step 1608). Similarly, an account of the second merchant is charged by the sum of the discount amount and the spread amount. The second merchant may be charged substantially immediately (e.g. immediately after the customer accepts). In another embodiment, the customer may be charged at predefined intervals (e.g. once per month).

Although the present invention has been described with respect to a preferred embodiment thereof, those skilled in the art will note that various substitutions may be made to those embodiments described herein without departing from the spirit and scope of the present invention.

What is claimed is:

1. A method, comprising:
receiving an indication of at least one item that a customer is to purchase from
5 a first merchant via a web site;
providing, in response to the received indication, an offer for a benefit from a
second merchant, the step of providing the offer being performed before the at least
one item is purchased;
receiving from the customer a response to the offer; and
10 applying the benefit to the at least one item if the response indicates
acceptance of the offer.
2. The method of claim 1, further comprising:
receiving customer information.
15
3. The method of claim 2, in which the customer information comprises:
a service that is provided to the customer.
4. The method of claim 2, in which the customer information comprises:
20 a service provider that provides a service to the customer.
5. The method of claim 2, in which the step of providing an offer for a benefit
from a second merchant comprises:
selecting a merchant from a plurality of merchants based on the customer
25 information received from the customer; and

providing an offer for a benefit from the selected merchant.

6. The method of claim 2, in which the step of providing an offer for a benefit from a second merchant comprises:

5 selecting the benefit based on the customer information received from the customer.

7. The method of claim 2, in which the step of receiving customer information comprises:

10 requesting that the customer provide customer information; and
receiving, in response to the step of requesting, customer information from the customer.

8. The method of claim 7, in which the step of requesting that the customer
15 provide customer information comprises:

transmitting to the customer at least one question to be answered.

9. The method of claim 8, in which the step of receiving customer information from the customer comprises:

20 receiving at least one answer to the at least one question.

10. The method of claim 2, further comprising:
verifying whether the customer information is accurate.

25 11. The method of claim 10, further comprising:

assessing a penalty against the customer if the customer information is not accurate.

12. The method of claim 11, in which the step of assessing the penalty comprises:
5 canceling the benefit if the customer information is not accurate.

13. The method of claim 11, in which the step of assessing the penalty comprises:
charging a penalty fee to the customer if the customer information is not
accurate.

10

14. The method of claim 10, in which the step of verifying is performed before the
purchase is consummated.

15. The method of claim 2, in which the step of providing the offer is performed
15 after the customer information is received.

16. The method of claim 15, in which the step of providing the offer is performed
based on the customer information.

20 17. The method of claim 1, further comprising:
receiving customer information from a party other than the customer.

18. The method of claim 2, in which the step of receiving customer information
comprises:
25 receiving information regarding at least one of:

a location of the customer, and
an Internet address of the customer.

19. The method of claim 1, in which the step of applying the benefit comprises:
5 reducing a price of the at least one item.
20. The method of claim 19, in which the step of reducing the price comprises:
reducing the price of the at least one item by a predetermined amount.
- 10 21. The method of claim 20, in which the step of reducing the price comprises:
reducing the price of the at least one item by a predetermined amount if the
price of the at least one item is greater than the predetermined amount.
22. The method of claim 19, in which the step of reducing the price comprises:
15 reducing the price of the at least one item by a predetermined percentage.
23. The method of claim 19, in which the step of reducing the price comprises:
reducing the price of the at least one item to zero.
- 20 24. The method of claim 1, in which the step of applying the benefit comprises:
selling the at least one item to the customer for a first price if the response
indicates rejection of the offer; and
selling the at least one item to the customer for a second price if the response
indicates acceptance of the offer, the second price being less than the first price.

25. The method of claim 24, in which the second price is a predetermined amount less than the first price.
26. The method of claim 25, in which the second price is a predetermined amount less than the first price if the first price is greater than the predetermined amount.
27. The method of claim 24, in which the second price is a predetermined percentage less than the first price.
28. The method of claim 1, in which the step of applying the benefit comprises: providing the at least one item to the customer without charge if the response indicates acceptance of the offer.
29. The method of claim 1, further comprising: requesting that the customer participate in a transaction with the second merchant.
30. The method of claim 29, in which the step of requesting that the customer participate in a transaction with the second merchant comprises: requesting that the customer initiate a service agreement with the second merchant.
31. The method of claim 1, further comprising: receiving an indication of agreement to participate in a transaction with the second merchant.

32. The method of claim 1, further comprising:
facilitating a transaction with the second merchant.

5 33. The method of claim 32, in which the step of facilitating the transaction with
the second merchant comprises:

determining a service provider that provides a service to the customer.

34. The method of claim 33, in which the step of facilitating the transaction with
10 the second merchant comprises:

canceling a service agreement with the service provider.

35. The method of claim 33, in which the step of facilitating the transaction with
the second merchant comprises:

15 initiating a new service agreement so that the service is provided by the
second merchant.

36. The method of claim 33, in which the step of determining a service provider
that provides a service to the customer comprises:

20 determining whether the service is provided by the second merchant.

37. The method of claim 32, in which the step of facilitating the transaction with
the second merchant comprises:

switching providers of a service that is provided to the customer.

38. The method of claim 37, in which the service comprises at least one of:

telephone service,

Internet service,

banking services,

5 credit card account services,

insurance service,

securities trading service,

satellite television service, and

cable television service.

10

39. The method of claim 32, in which the step of facilitating the transaction with the second merchant comprises:

initiating a new service agreement so that a service is provided to the customer.

15

40. The method of claim 39, in which the service comprises at least one of:

telephone service,

Internet service,

banking services,

20 credit card account services,

insurance service,

securities trading service,

satellite television service, and

cable television service.

25

41. The method of claim 1, in which the step of providing an offer is performed only if a price of the at least one item is greater than a predetermined threshold.

42. The method of claim 1, in which the step of providing an offer is performed
5 only a predetermined rule is satisfied.

43. The method of claim 1, in which the step of providing an offer for a benefit from a second merchant comprises:

providing a plurality of offers for benefits from at least one merchant.

10

44. The method of claim 43, further comprising:
receiving from the customer a selection of an offer of the plurality of offers.

45. The method of claim 1, in which the step of providing an offer for a benefit
15 from a second merchant comprises:

selecting a merchant from a plurality of merchants; and
providing an offer for a benefit from the selected merchant.

46. The method of claim 1, in which the benefit is based on the at least one item.
20

47. The method of claim 46, in which the benefit is based on a price of the at least one item.

48. The method of claim 1, in which the step of providing an offer for a benefit
25 from a second merchant comprises:

selecting a benefit from a plurality of benefits based on the at least one item.

49. The method of claim 1, further comprising:

receiving an amount of payment from the second merchant if the response
5 indicates acceptance of the offer.

50. The method of claim 1, in which the benefit is based on the amount of
payment.

10 51. A method, comprising:

receiving an indication of at least one item that a customer is ready to purchase
from a merchant via a web site, the at least one item having an associated total price;
providing, in response to the received indication, an offer for a subsidy, the
step of providing the offer being performed before the item is purchased;

15 receiving from the customer a response to the offer; and

charging an amount that is less than the total price if the response indicates
acceptance of the offer.

52. The method of claim 51, in which the step of charging comprises:

20 charging an amount that is less than the total price to a credit card account of
the customer.

53. The method of claim 51, further comprising:

receiving payment from a second merchant if the response indicates
25 acceptance of the offer.

54. A method, comprising:

receiving an indication of at least one item that a customer is ready to purchase from a merchant via a web site, the at least one item having an associated total price;

5 providing, in response to the received indication, an offer for a reduction in the total price, the step of providing the offer being performed before the at least one item is purchased;

receiving from the customer an acceptance of the offer; and

selling the at least one item to the customer for less than the total price.

10

55. A method, comprising:

receiving an indication of at least one item that a customer is ready to purchase from a merchant via a web site, the at least one item having an associated total price;

providing, in response to the indication, an offer for a subsidy from a second
15 merchant in exchange for agreeing to perform a transaction with the second merchant, the step of providing the offer being performed before the at least one item is purchased;

receiving from the customer an acceptance of the offer;

facilitating the transaction with the second merchant;

20 receiving a request to revoke the acceptance before the at least one item is purchased; and

canceling the second transaction.

56. A method, comprising:

receiving an indication of at least one item that a customer is ready to purchase from a merchant via a web site, the at least one item having an associated total price;

providing, in response to the received indication, an offer for a reduction in the total price in exchange for applying for a credit card account with a credit card issuer,
5 the step of providing the offer being performed before the at least one item is purchased;

receiving, from the customer, an indication of willingness to apply for a credit card account; and

selling the at least one item to the customer for less than the total price.

10

57. The method of claim 56, in which the step of receiving, from the customer, an indication of willingness to apply for a credit card account comprises:

receiving, from the customer, information for use in applying for a credit card account.

15

58. The method of claim 57, further comprising:

transmitting to the customer a form for receiving information for use in applying for a credit card account.

20 59. The method of claim 56, further comprising:

determining whether the customer already has a credit card account with the credit card issuer.

60. The method of claim 59, in which the step of providing the offer is only performed if it is determined that the customer does not already have a credit card account with the credit card issuer.

5 61. A method, comprising:

receiving an indication that a customer is willing to make a purchase from a first merchant;

receiving customer information;

transmitting, in response to the indication, customer information to a second
10 merchant;

receiving, from the second merchant, a description of a subsidy;

providing an offer for the subsidy from the second merchant, the step of providing the offer being performed before the purchase is consummated;

receiving a response to the offer; and

15 applying the subsidy to the purchase if the response indicates acceptance of the offer.

62. A method, comprising:

generating an interface for allowing a customer to access a web site that
20 permits purchases from a first merchant, the interface including a button;

receiving a first indication that a customer is willing to make a purchase from a first merchant;

activating the button in response to receiving the indication;

receiving a signal that the customer has clicked the button;

providing, in response to the received signal, an offer for a subsidy from a second merchant, the step of providing the offer being performed before the purchase is consummated;

receiving from the customer a response to the offer; and

5 applying the subsidy to the purchase if the response indicates acceptance of the offer.

63. A method, comprising:

receiving an indication of at least one item that a customer is ready to purchase
10 from a merchant via a web site, the at least one item having an associated total price;

providing, in response to the received indication, an offer for a reduction in the total price in exchange for applying for a credit card account with a credit card issuer, the step of providing the offer being performed before the at least one item is purchased;

15 receiving, from the customer, an indication of willingness to apply for a credit card account;

selling the at least one item to the customer for less than the total price; and
charging the credit card issuer for an amount of payment.

20 64. The method of claim E, in which the step of selling comprises:

selling the at least one item to the customer for an amount that is based on a difference between the total price and the amount of payment charged to the credit card issuer.

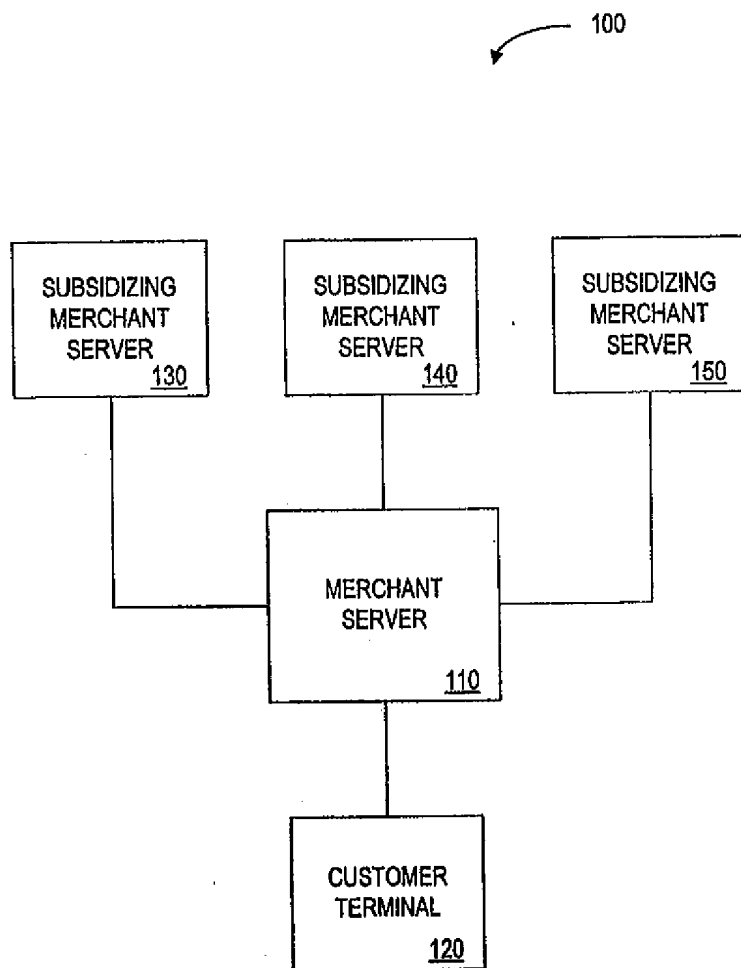


FIG. 1

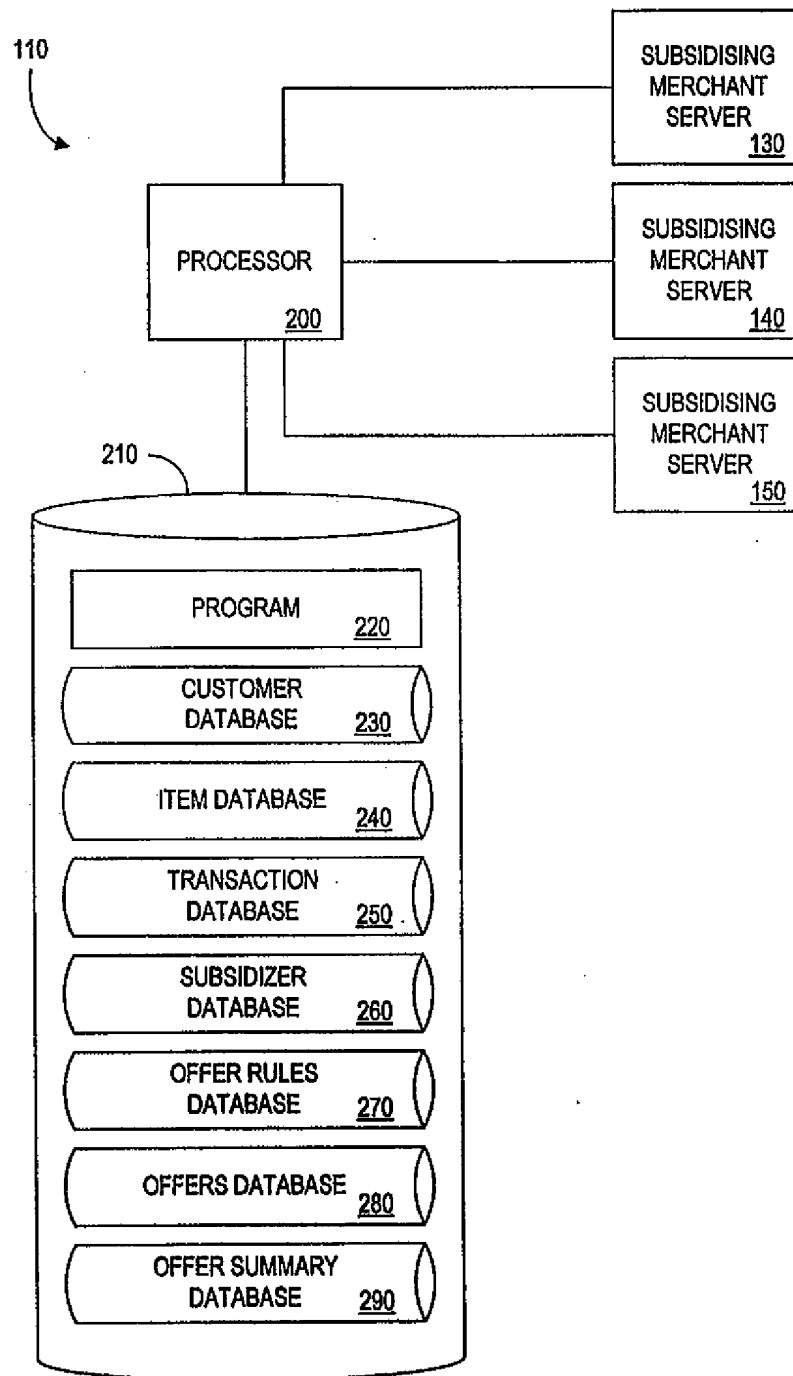


FIG. 2

300

CUSTOMER IDENTIFIER 320	NAME 322	BILLING ADDRESS 324	CREDIT CARD INFORMATION 326	E-MAIL 328
C0001	DAN MANN	123 MAIN ST.	VISA 1111-1111- 1111-1111	DMANN@ ISP.COM
C0002	STEVE DAVIS	3 RIVERPLACE ROAD	AMEX 4444-555 6666-3333	SDAVIS@ SCHOOL.EDU
C0003	JEFF SMITH	2 THRUSH LANE	DIS 2222-3333 4444-7777	SMITH@ WEBTV.COM
C0004	GEORGE ALAN	15 LAUREL AVENUE	VISA 1111-4444- 8888-3333	ALAN@ WORK.COM

302
304
306
308

FIG. 3

400

ITEM IDENTIFIER 420	ITEM DESCRIPTION 422	ITEM PRICE 424	AVAILABILITY 426
P001	WAR AND PEACE	\$13.95	IN STOCK
P002	SUN TZU: THE ART OF WAR	\$15.95	AVAILABLE IN 2-3 DAYS

402

404

FIG. 4

500

TRANSACTION IDENTIFIER 520	TIME OF TRANSACTION 522	ITEMS ORDERED 524	CREDIT CARD INFORMATION 526	AMOUNT CHARGED 528	DELIVERY ADDRESS 530	CUSTOMER IDENTIFIER 532
T 000 001	1/4/2001 8:07 AM	P038, P049, P812	VISA 1111-1111- 1111-1111 EXP. 3/2002	\$49.87	123 MAIN ST. TOWN, USA	NONE
T 000 002	1/9/2001 9:00 PM	P123	MASTERCARD 2222-2222- 2222-2222 EXP. 9/2002	\$0.00	9876 PARK AVE. CITY, USA	C1234
T 000 003	1/10/2001 3:02 AM	P456, P789, P789	AMEX 9999-9999- 9999-9999 EXP. 4/2005	\$0.00	24 SHADY LA. TOWN, USA	C5678

502

504

506

FIG. 5

600

	SUBSIDIZING PARTY IDENTIFIER 620	SUBSIDIZING PARTY NAME 622	ACCOUNT 624	AMOUNT OWED TO MERCHANT 626
602	S001	CREDIT CARD COMPANY X	BANK ACCOUNT #2345678	\$855.00
604	S002	LONG DISTANCE TELEPHONE Y	MC 1111-2222- 3333-4444	\$4,390.00
606	S003	SATELLITE TELEVISION Z	PREPAID BALANCE \$10,500	\$0

FIG. 6

700

OFFER RULE IDENTIFIER 720	SUBSIDIZING PARTY IDENTIFIER 722	SUBSIDY AMOUNT 724	WHEN EFFECTIVE 726	ADDITIONAL TRANSACTION REQUIRED 728
R00001	S11	UP TO \$50	ALWAYS	SIGN UP FOR CREDIT CARD ACCOUNT
R00002	S12	UP TO \$50	TOTAL PRICE > \$300	SIGN UP FOR CREDIT CARD ACCOUNT
R00003	S12	\$40	CREDIT CARD = VISA AND TOTAL PRICE > \$100	SIGN UP FOR VISA PLUS ACCOUNT
R00004	213	\$80	CUSTOMER IS FROM A NEW ENGLAND STATE	SIGN UP FOR CELLULAR TELEPHONE SERVICE
R00005	S14	\$75	CUSTOMER DOES NOT HAVE CABLE TELEVISION FROM SERVICE PROVIDER	SIGN UP FOR CABLE TELEVISION

702

704

706

708

710

FIG. 7

800

OFFER IDENTIFIER 820	TRANSACTION IDENTIFIER 822	SUBSIDIZING PARTY 824	OFFER RULE APPLIED 826	SUBSIDY AMOUNT 828	TOTAL PRICE 830	TOTAL PRICE WITH SUBSIDY 832	ACCEPTED YES/NO 834
F001	T123	S111	R1230	\$50	\$97.12	\$37.12	YES
F002	T456	S222	R4561	\$100	\$19.95	\$19.95	YES
F003	T789	S345	R7892	\$10	\$10.00	\$0	YES
F004	T109	S678	R0123	\$15	\$15.00	\$0	YES
F005	T555	S901	R3454	\$75	\$48.00	\$0	YES

802 804 806 808 810

FIG. 8

900

SUBSIDIZING PARTY IDENTIFIER: S888				902
TOTAL NUMBER OF OFFERS: 1,794				904
TOTAL NUMBER OF OFFERS ACCEPTED: 1,003				906
TOTAL AMOUNT OF SUBSIDIES: \$52,800.00				908
910 912	OFFER RULE IDENTIFIER	NUMBER OF OFFERS	NUMBER OF OFFERS ACCEPTED	AMOUNT OF SUBSIDIES DUE
	920	922	924	926
	R1111	1004	500	\$2,500.00
	R2222	790	503	\$50,300.00

FIG. 9

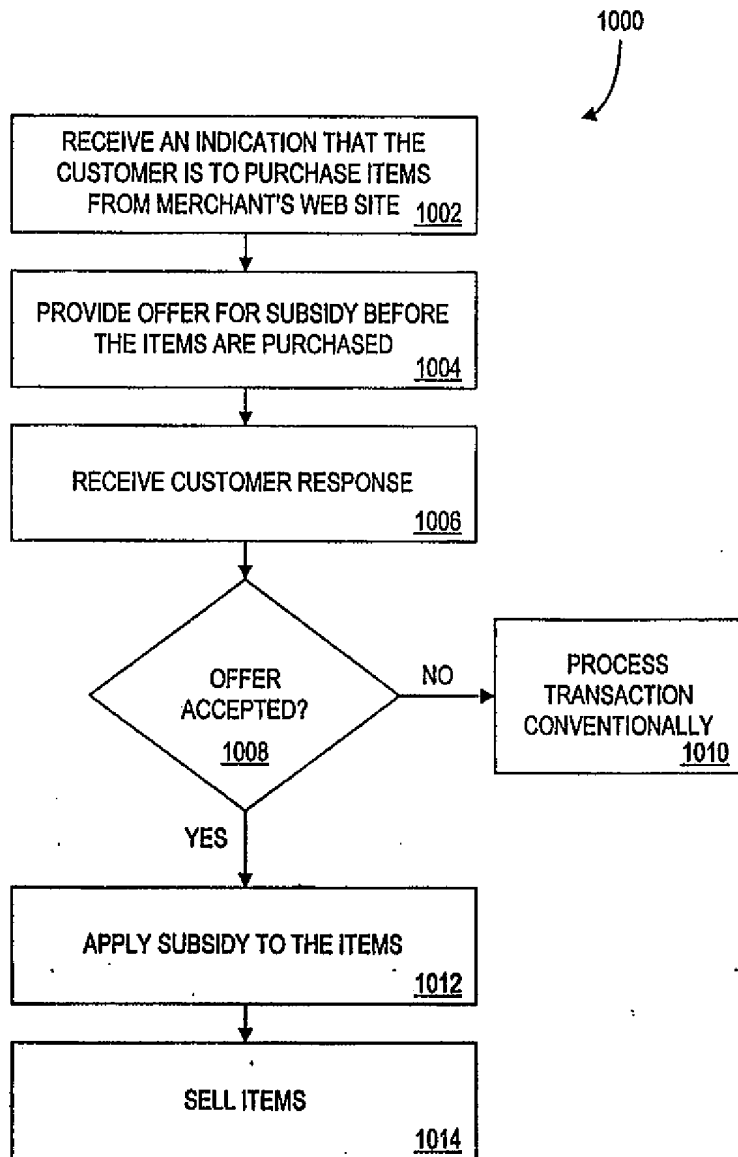


FIG. 10

1100

QUANTITY AND TITLE INFORMATION
FOR ITEMS IN YOUR SHOPPING CART:

QTY.	TITLE
1	WAR AND PEACE; TOLSTOY, LEO

PRICE \$13.95

SHIPPING \$5.00

TOTAL PRICE \$18.95

CLICK HERE TO SEND US YOUR ORDER

GET THIS PURCHASE FOR FREE!

1110

1112

FIG. 11

1200

**APPLY FOR A VISA PLUS CREDIT CARD ACCOUNT
AND YOUR PURCHASE IS ABSOLUTELY FREE!**

APPLICATION FOR CREDIT

NAME:	<input type="text"/>
ADDRESS 1:	<input type="text"/>
ADDRESS 2:	<input type="text"/>
SOC. SEC. NUMBER:	<input type="text"/>
ANNUAL INCOME:	<input type="text"/>

1204

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COMPLETE THE
APPLICATION

1202

1206

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SHOPPING CART

FIG. 12

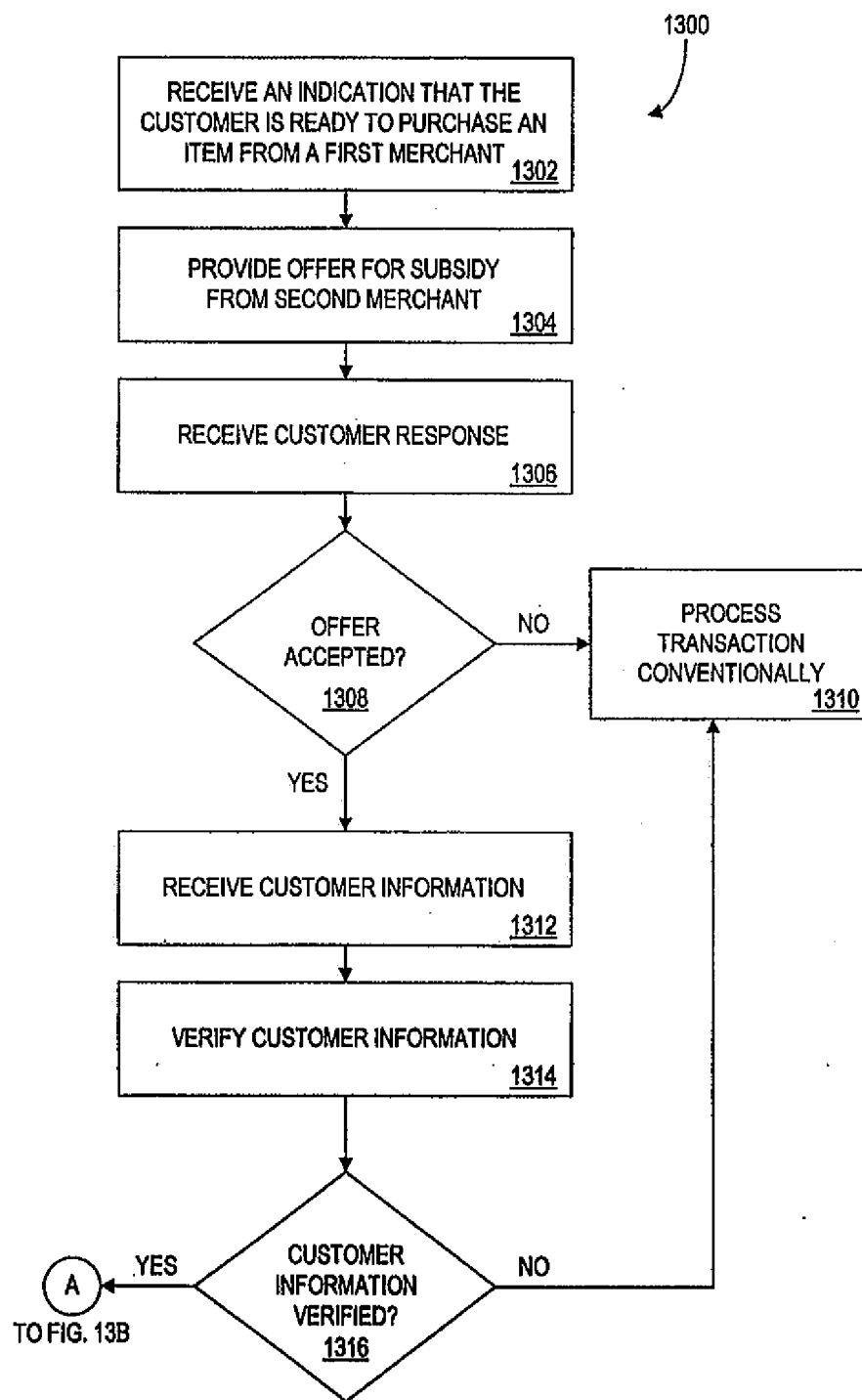


FIG. 13A

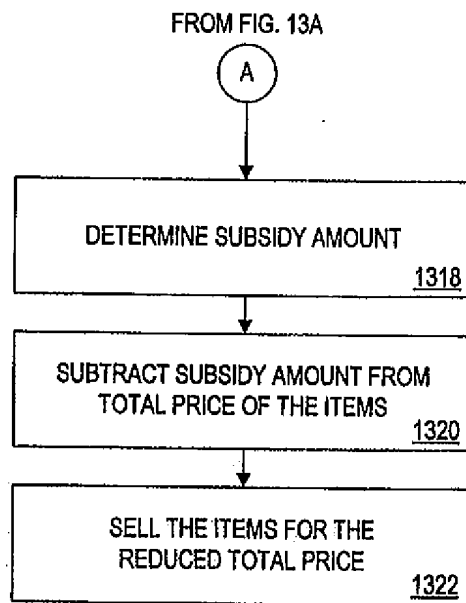


FIG. 13B

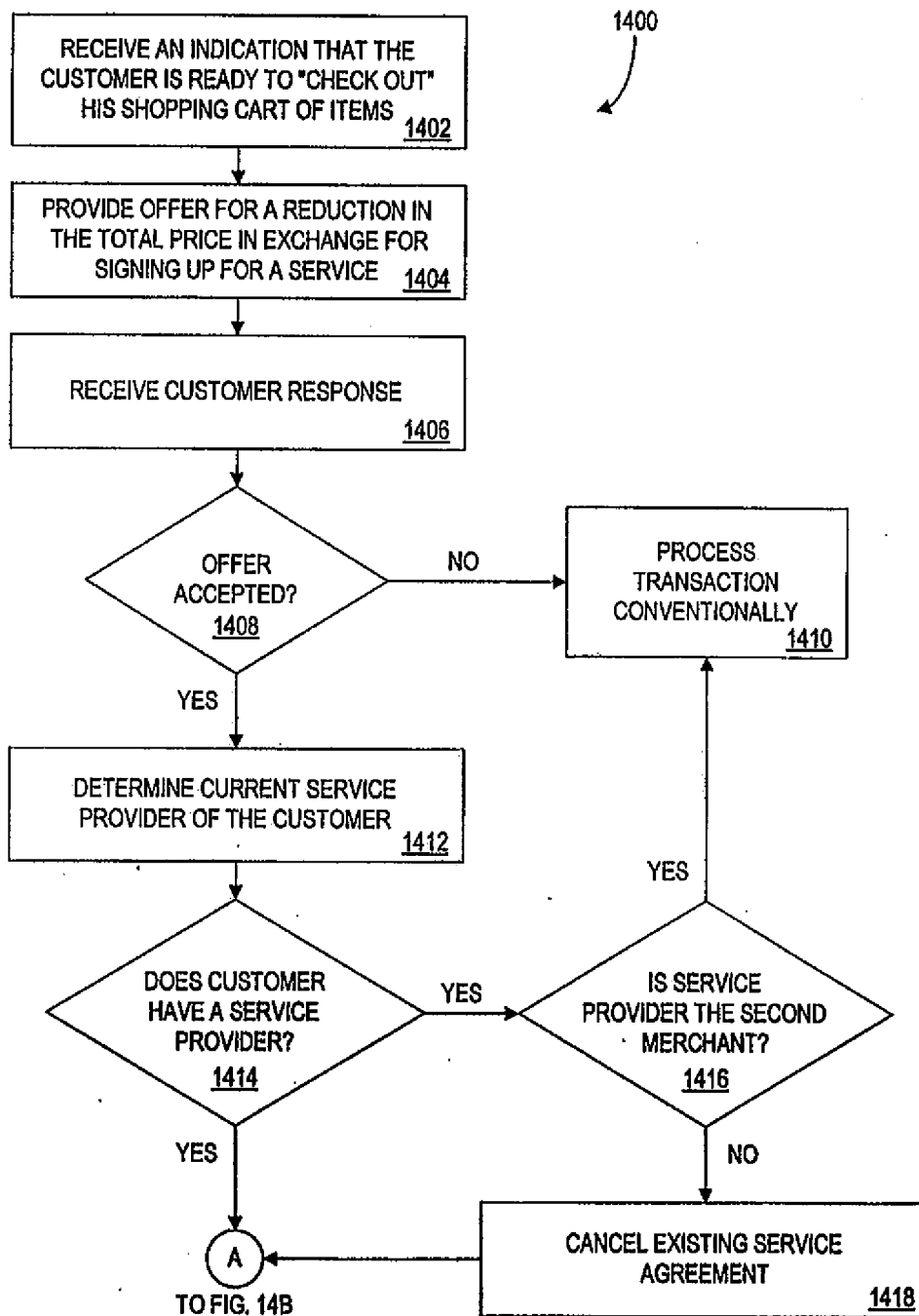


FIG. 14A

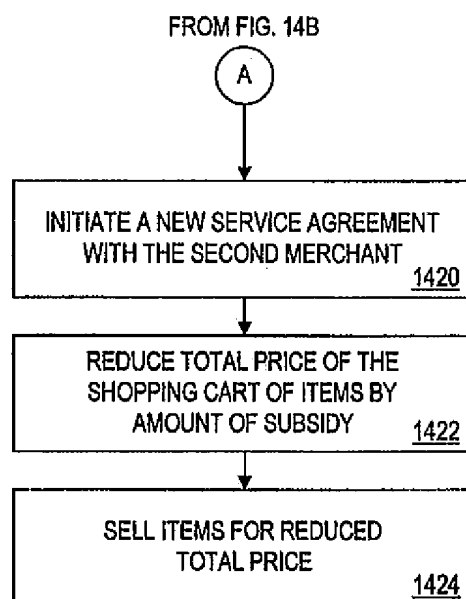


FIG. 14B

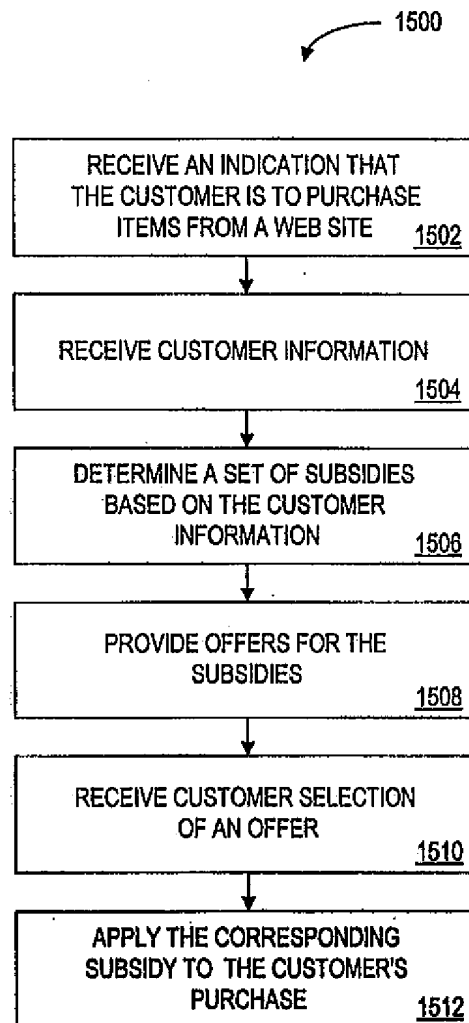


FIG. 15

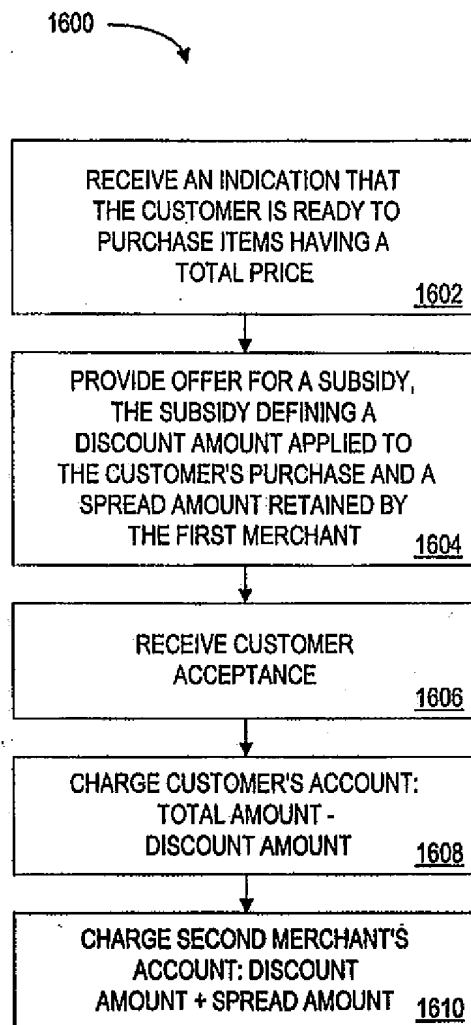


FIG. 16

INTERNATIONAL SEARCH REPORT

International application No.
PCT/US99/13409

A. CLASSIFICATION OF SUBJECT MATTER

IPC(6) : G06F 17/60, 17/00

US CL : 705/26, 14

According to International Patent Classification (IPC) or to both national classification and IPC

B. FIELDS SEARCHED

Minimum documentation searched (classification system followed by classification symbols)

U.S. : 705/26, 14, 1, 27, 16

Documentation searched other than minimum documentation to the extent that such documents are included in the fields searched

Electronic data base consulted during the international search (name of data base and, where practicable, search terms used)

APS, DIALOG

Search terms: promotion, rebate, discount, reward, incentive, shopping cart, online shopping, cashback

C. DOCUMENTS CONSIDERED TO BE RELEVANT

Category*	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
X ----- Y	US 5,434,394 A (ROACH et al) 18 July 1995 Figure 3a, 3b and 3c. col. 1 lines 50-67, col. 2 lines 48-65, col. 6 lines 1-5, col. 10	1, 51, 54 -56, 61-63 ----- 2-50, 52-53, 57-60, 64
X ----- Y	US 5,570,417 A (BYERS) 29 October 1996, abs. col. 4 lines 27-62 col. 5	1, 51, 54 -56, 61-63 ----- 2-50, 52 -53, 57-60, 64
Y	FICKENSCHER, LISA. American Express Seeks to Mine Its Data on Cardholder Spending Patterns. The American Banker. 24 March 1997. p 20	1-64

☒ Further documents are listed in the continuation of Box C. ☐ See patent family annex.

* Special categories of cited documents:	*T* later document published after the international filing date or priority date and not in conflict with the application but cited to understand the principle or theory underlying the invention
A document defining the general state of the art which is not considered to be of particular relevance	*X* document of particular relevance; the claimed invention cannot be considered novel or cannot be considered to involve an inventive step when the document is taken alone
E earlier document published on or after the international filing date	*Y* document of particular relevance; the claimed invention cannot be considered to involve an inventive step when the document is combined with one or more other such documents, such combination being obvious to a person skilled in the art
L document which may throw doubts on priority claim(s) or which is cited to establish the publication date of another citation or other special reason (as specified)	*G* document member of the same patent family
O document referring to an oral disclosure, use, exhibition or other means	
P document published prior to the international filing date but later than the priority date claimed	

Date of the actual completion of the international search

16 SEPTEMBER 1999

Date of mailing of the international search report

21 OCT 1999

Name and mailing address of the ISA/US
Commissioner of Patents and Trademarks
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ALLEN MACDONALD

INTERNATIONAL SEARCH REPORTInternational application No.
PCT/US99/13409**C (Continuation). DOCUMENTS CONSIDERED TO BE RELEVANT**

Category*	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
Y	FICKENSCHER, LISA. Amex to Start Free Rewards Program with Discounts on Merchandise. The American Banker. 18 October 1996 p 10.	1-64
Y	FITZGERALD, KATE. Amex Program Moves Loyalty to Next Level. Advertising Age 04 November 1996 p 2	1-64
Y,P	US 5,893,075 A (PLAINFIELD et al) 06 April 1999 col. 4 lines 51-65, col. 6 lines 36-58	2-50
Y,E	US 5,918,211 A (SLOANE) 29 June 1999 col. 5 lines 64-67, col. 6 lines 1-11 col. 8 lines 1-50	2-50